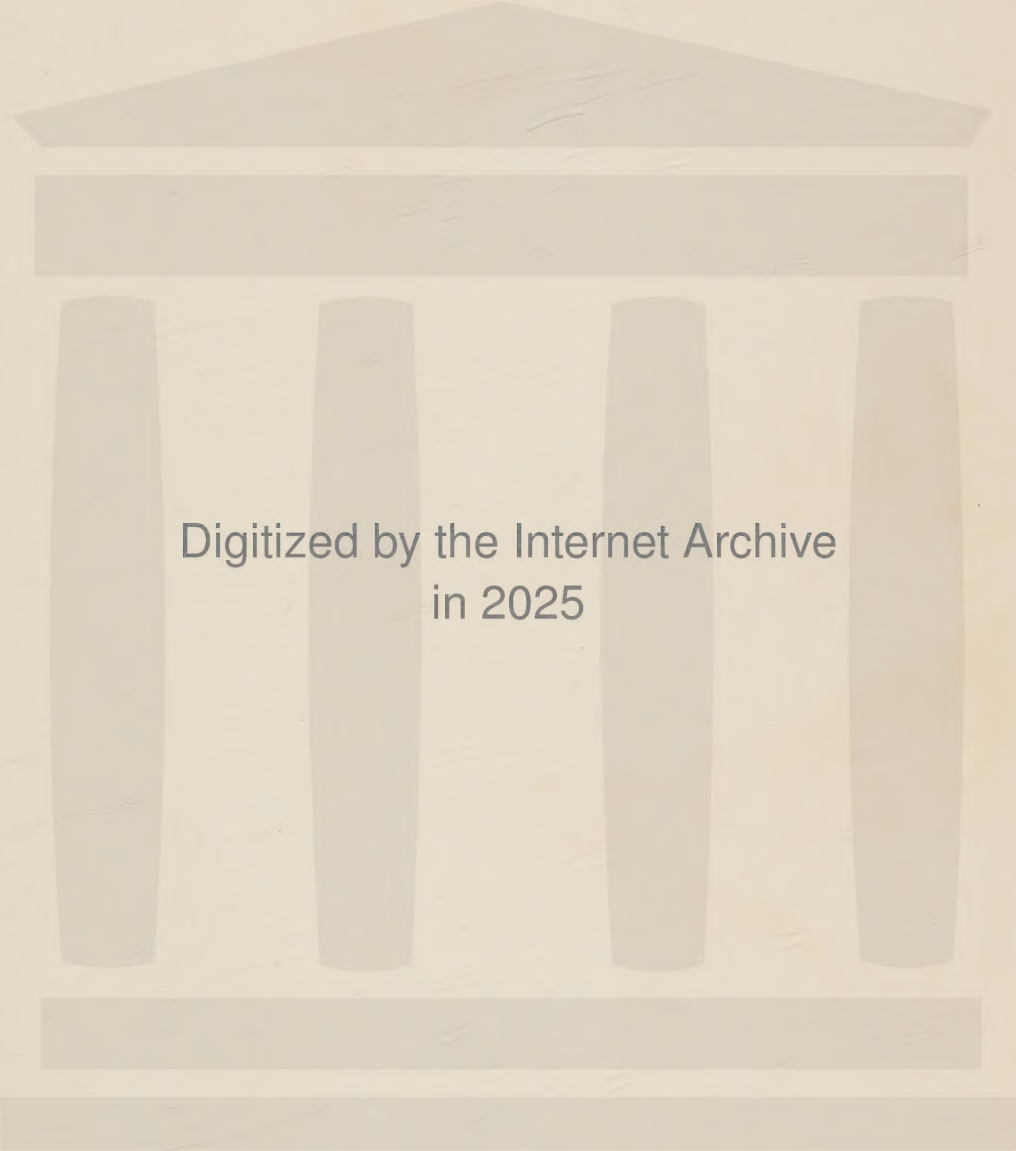


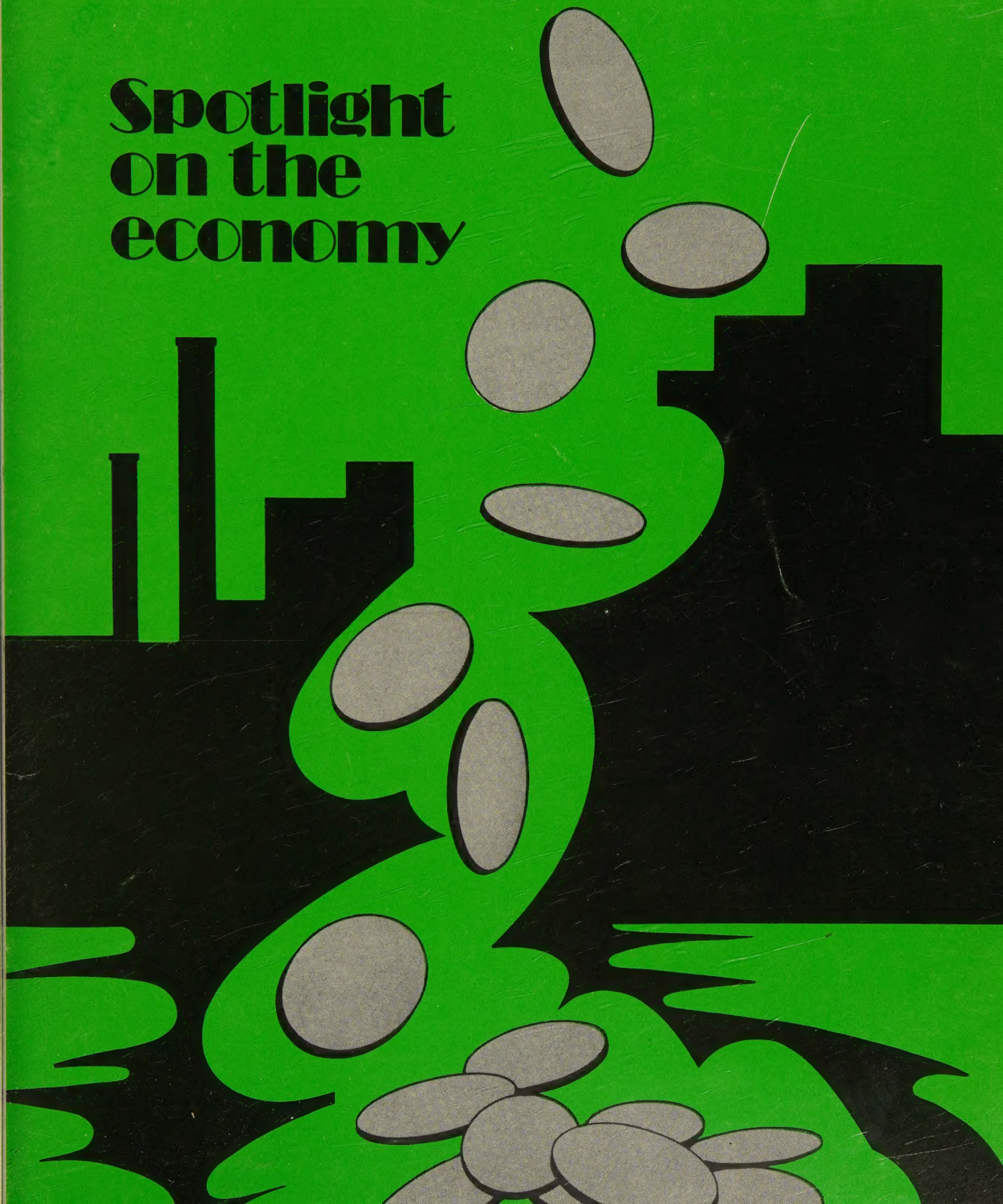


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**Spotlight
on the
economy**



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**Labour
Canada**

**Travail
Canada**

contents

Volume 78, No. 1, January 1978

NEWSLINE

- | | | |
|---|---|---|
| 2 THE ECONOMY <ul style="list-style-type: none">• Conference Board provincial forecast | 3 EMPLOYMENT <ul style="list-style-type: none">• Advisory group on youth• More mothers working | 5 RETIREMENT <ul style="list-style-type: none">• Committee to study retirement age |
| 2 EMPLOYEE INCOME <ul style="list-style-type: none">• Third-quarter settlements• Salary increases in U.S.• U.S. raises minimum wage | 4 ILO <ul style="list-style-type: none">• U.S. withdraws | 6 WORKING TIME <ul style="list-style-type: none">• U.S. unions to seek shorter workweek |
| 3 PROFESSIONAL INCOMES <ul style="list-style-type: none">• Doctors top list | 5 EDUCATION <ul style="list-style-type: none">• More women in agriculture and business | 6 FEDERATIONS OF LABOUR CONVENTIONS — FALL 1977: <ul style="list-style-type: none">• Newfoundland• Nova Scotia• British Columbia• Manitoba |
| 3 LABOUR COSTS <ul style="list-style-type: none">• Statistics Canada survey for 1976 | 5 LEGISLATION <ul style="list-style-type: none">• CALURA amendments | |

FEATURES

- 9 The debate over mandatory retirement by Ed Finn
- 14 Adapting to a changing world by Eric Trist
- 21 McGill University conference: The advantages of expedited arbitration by Roy LaBerge
- 26 Does CUPE's decision spell the end of tripartism? by John Clarke
- 29 Productivity and technology in the Canadian regions by George Post
- 35 Conference Board study: Trends in Canada's competitive position
- 36 Into the 1980s: gloomy forecasts from the ECC
- 40 A critical review of the economy by Hugh Nangle
- 42 An economic outlook for 1978 by Frederick Staphenurst
- 45 Workers' self-management in Yugoslavia

DEPARTMENTS

- 47 BOOKS
- 48 RESEARCH NOTES
- 50 ADDITIONS TO THE LIBRARY
- 52 STATISTICS

newsline

THE ECONOMY

Conference Board provincial forecast

The Conference Board in Canada has established real economic growth at less than 3 per cent in every province except Alberta and British Columbia in 1977, but predicts an increase of 5 per cent or more in five provinces in 1978

— Newfoundland, Prince Edward Island, Ontario, Alberta and British Columbia.

The Conference Board's provincial quarterly forecast in November, also predicts that the changes in federal taxation and expenditure policies, announced Oct. 20 in the Commons, will not substantially alter the growth outlook for the country as a whole. It estimates growth in real gross domestic product (GDP) at 2.9 per cent in 1977 and 4.9 per cent in 1978.

It describes Ontario's 1977 performance as weaker than expected and below both the Quebec and national levels. However, Ontario is expected to outperform both in 1978 while Quebec is expected to fall farther below the national average in 1978 than in 1977.

Newfoundland was hardest hit by the 1977 national economic slowdown, with the decline in real GDP estimated at 1 per cent, but the mining and construction industries are expected to lead the way in a marked recovery, with anticipated growth in real domestic product of 5.4 per cent, although unemployment will increase to about 16.5 per cent of the labour force.

In 1978, the Conference Board anticipates declines in the real output of the forestry and mining industries, but increases in agriculture, fisheries, construction and manufacturing.

	Real gross domestic product % change	Unemployment rate %	Personal income % change
Newfoundland			
1977	-1.1	15.9	9.8
1978	5.4	16.5	10.4
Prince Edward Island			
1977	1.0	9.9	8.2
1978	5.1	10.4	10.8
Nova Scotia			
1977	2.2	10.7	9.8
1978	4.6	10.4	10.8
New Brunswick			
1977	2.8	13.4	9.4
1978	4.9	13.6	11.0
Quebec			
1977	2.8	10.3	8.6
1978	4.5	11.0	10.5
Ontario			
1977	2.5	7.0	9.8
1978	5.2	6.8	10.7
Manitoba			
1977	0.9	5.9	7.1
1978	3.7	5.8	9.6
Saskatchewan			
1977	1.4	4.5	6.2
1978	2.8	4.5	10.1
Alberta			
1977	5.6	4.4	12.8
1978	5.7	4.1	12.5
British Columbia			
1977	3.9	8.5	10.5
1978	5.0	7.9	10.8
Canada			
1977	2.9	8.1	9.5
1978	4.9	8.1	10.8

EMPLOYEE INCOME

Third-quarter settlements

Major collectively bargained settlements in the third quarter of 1977 provided average annual base-rate increases of 7.5 per cent, down from 7.9 per cent in the second quarter. The third-quarter average is also down from the average increase of 7.9 per cent during the 12-months ended with the third quarter. The Labour Canada figures are based on agreements covering 500 or more workers in industries, other than construction, in both federal and provincial jurisdictions.

During the third quarter, there were 97 major one-year agreements calling for average in-

creases of 7.7 per cent; 25 two-year agreements calling for increases of 8.2 per cent for the first year and 6.7 per cent for the second, and 7 three-year agreements calling for increases of 6.4 per cent, 3.3 per cent and 3.3 per cent for the first, second and third years respectively.

Of the 129 third-quarter agreements 23 provided for a cost-of-living allowance. The average annual increase in base rates for these settlements was 6.5 per cent, excluding the effect of the COLA clause. The remaining 106 settlements without a COLA clause provided for an annual average increase of 7.7 per cent.

Of 587 major agreements in the 12-month period ended in the third quarter, 136 settlements, providing for a 6.5 per cent annual increase, contained a COLA clause. The 451 agreements without a COLA clause provided for an average annual increase of 8.4 per cent.

Salary increases in U.S.

Average salaries for selected white-collar occupations in private industry in the United States increased by 6.9 per cent during the 12-month period ended March 1977. The increase is the third largest recorded since the Bureau of Labor Statistics began its national survey 17 years ago. The average increase for clerical occupations was 6.6 per cent and for professional administrative and technical occupations, 7.1 per cent. The U.S. Consumer Price Index rose 6.4 per cent during the same period.

U.S. raises minimum

President Carter signed legislation Oct. 31 raising the United States

minimum wage to \$3.35 an hour by 1981 — a \$1.05 increase. It would be implemented in four stages by 35 cents an hour to \$2.65 on Jan. 1, 1977, to \$2.90 in 1979, \$3.10 in 1980 and \$3.35 in 1981.

Officials estimate that 4.3 million workers will get wage increases totalling \$2.6 billion from the initial 35-cent-an hour increase, and that over the four years 5.3 million workers will earn an additional \$9 billion.

The bill, providing the largest single increase in history for U.S. low-income workers, is seen as a major victory for organized labour. Some business lobbies had vigorously opposed its passage, warning that it would contribute to inflation and high unemployment.

The federal minimum wage in Canada is now \$2.90 an hour. Provincially, Québec's minimum wage, at \$3.15 an hour, is the highest in Canada, and Newfoundland's, at \$2.50 an hour, is the lowest.

PROFESSIONAL INCOMES

Doctors top list

Self-employed doctors and surgeons had the highest average income of any occupational group in 1975, according to income tax returns. Next in order, behind the doctors and surgeons, with an average income of \$46,661, were four other self-employed categories — engineers and architects, \$43,409; lawyers and notaries, \$42,731; dentists, \$40,871; accountants, \$34,668. Other self-employed professionals earned an average \$17,989, while the average of the biggest category of income-tax payers, 7,279,444 employees,

was \$11,696. The auto city of Oakville, Ont., had the highest average income among Canadian cities, \$11,714.

The 5,696,359 male income-tax-payers reported average income of \$13,762, while the 2,795,386 female taxpayers had an average income of only \$8,331. The average for all individual taxpayers was \$11,974.

LABOUR COSTS

Statistics Canada survey for 1976

Employers paid an average \$15,219 in total compensation for each employee on their payroll according to Statistics Canada's All Industry Survey of Labour Costs for 1976. Of that total, \$12,089 was direct pay for hours worked, \$1,490 for paid absence, including holidays, vacations and sick leave, and \$1,354 was in the form of employer contributions to welfare and benefit plans. The rounded percentages of total compensation for each factor were 79.4, 9.8 and 8.9 respectively. These preliminary figures are based on reports from 4,500 establishments employing 20 or more employees in all industries, public and private, except agriculture, fishing and trapping. The final survey will cover 7,500 establishments.

EMPLOYMENT

Advisory group on youth

The federal government is establishing a National Youth Advisory Group. Its principal task will be to advise employment Minister Bud Cullen on all aspects

of youth employment and unemployment, to recommend ways of providing more jobs for young workers, and to investigate and eliminate barriers to young people in the job market. Its 12 to 15 members will meet four times a year. The government is seeking nominees from the Canadian Manufacturers' Association, the Canadian Labour Congress and other national organizations.

More mothers working

The number of mothers in the labour force with children under 18 increased almost tenfold, from 1.5 million in 1940 to 14.6 million in 1976, according to data compiled by the Women's Bureau of the United States Department of Labor. In March, 1976, 49 per cent

of all mothers with children under 18 were in the labour force. This compares with 9 per cent in 1940, 27 per cent in 1955 and 35 per cent in 1965. Among the 14.6 million working mothers, 5.4 million had children under six years of age. And between 1960 and 1976, the proportion of working mothers with children under three rose from 17 to 34 per cent.

Most mothers work outside the home because they need the money, according to bureau director Alexis Herman is quoted as saying. "And with the dramatic increase in the number of mothers with children under six years old, lower cost and more readily available child care facilities are critically needed," she is quoted as saying.

ILO

U.S. withdraws

The United States withdrew Nov. 5 from the International Labour Organization, marking the first withdrawal by the U.S. from a United Nations agency since the world organization was founded in 1945.

The move, which poses grave problems for the 135 country-tripartite agency, was described by Joseph Morris, president of the Canadian Labour Congress, "as a very great disappointment." Morris was elected chairman of the ILO's governing body at its annual general meeting in June.

U.S. Labor Secretary F. Ray Marshall enunciated several reasons for the U.S. move. He said the ILO has not applied labour

standards equally among all the nations of the world, that it frequently issues condemnations "without adequate investigation," that nations are sometimes condemned by the ILO for "extraneous political" reasons, and, finally, that the delegations from several countries are not tripartite, representing government, labour and industry, but represent "governments almost exclusively."

The U.S. move was not unexpected. It had given the required notice two years ago of its intention to let its membership expire over what it considered the increased "politicization" of the 135-country body. The U.S. decided to carry through its intention when the June assembly failed to adopt a report naming the countries that had not observed ILO conventions and recommendations.

The U.S. provided about 25 per

cent of the ILO's funds in the past, and one of the governing body's first tasks will be to determine where its \$169 million two-year budget can be cut.

Since its foundation, the ILO has worked for the improvement of labour standards and working conditions throughout the world by adopting resolutions and conventions and urging its member companies to implement them. It has worked for the abolition of slave labour and the protection of women and children in the labour force, and it has provided programs of technical training for people from developing countries. It is also a major source of international labour statistics.

Morris said the U.S. move will be welcomed by tyrannical governments. "In our long association with the ILO, Canadian workers have long been aware of its imperfections," he said "but we have always understood that its existence and success were fundamental to the well-being of workers everywhere, many of whom are engaged in a struggle not only with their employers but with tyrannical governments. These are the people who will welcome the U.S. decision — not the free workers, or their brothers who see the ILO as a beacon guiding them to freedom. Our task of using the ILO to advance the interests of workers will be made more difficult without the contribution of the United States. The task of our enemies will be made that much easier.

"The CLC will not shirk its responsibilities to the international trade union community, and we hope within a short period of time that the U.S. will reassess its position and return to the one agency in the international system in which workers have a voice."

EDUCATION

More women in agriculture and business

More Canadian women were preparing for professions in agriculture and business, Labour Minister John Munro said in an Oct. 12, 1977 speech to the Women's Canadian Club of Toronto. In agriculture, he said, "a field in which few women have sought technical or professional competence," the percentage of women among undergraduate students increased by nearly 200 per cent in the five years ended 1974 — from 8.5 to 23.4 per cent of enrolment. And enrolment of women in business administration rose by 300 per cent in the period, to reach 15 per cent of students by 1974, he added.

LEGISLATION

CALURA amendments

Responding to complaints from both business and labour, the federal government has introduced amendments to the Corporations and Labour Unions Returns Act. Business has complained about the amount of paperwork required under the Act, and the amendments, introduced Oct. 27, eliminate about 70,000 small Canadian-owned corporations from reporting at all, and simplify the questionnaires for corporations still required to report. International unions have complained that the existing procedures give a disproportionate picture of the percentage of members dues' dollars going to the United States. Under the amendments, inter-

national unions will report all direct receipts from Canadian affiliates and all expenditures directly attributable to their Canadian operations.

The definition of a labour union will be broadened to include any association which has as one of its purposes the regulation of employer-employee relations; labour unions will report membership data on a calendar year instead of the present fiscal year; membership data by union will be made available to federal and provincial departments, to reduce existing and potential duplication of data collection, and unions will be required to report financial information on special funds such as strike and pension funds separately from their general revenues and expenditures.

RETIREMENT

Committee to study retirement age

As the *Gazette* goes to press, we have learned that the Senate has launched an intensive investigation into the effects of enforced retirement at age 65. The Senate committee will look at existing retirement policies, use of flexible retirement plans, implications of mandatory retirement based on age alone, and protection against age discrimination.

Senator David Croll introduced a motion into the Upper House calling for the establishment of a Senate committee to examine existing retirement-age policies in both the public and private sectors of the economy. The 77-year-old senator was chairman of both the

Senate committee on poverty and of the Senate committee on aging, which in 1966 brought down a recommendation for a guaranteed income supplement for the elderly that later became a reality.

As debate opened on his motion, Senator Croll described discrimination based on age as the last great human rights issue to be tackled in Canada.

In the United States, both Houses of Congress recently gave overwhelming support to a bill ending compulsory retirement in the federal public service and providing for more flexible retirement options in the private sector. In Canada, both the Ontario and Manitoba human rights commissions have recommended more flexible retirement policies. So did the Canadian Council on Social Development in a major study published in 1976.

In the Commons, a private member recently introduced a bill calling for raising the retirement age to 70 for some Canadians. Private members bills usually are "talked out," however, and rarely become law.

Arguments in favour of more flexible retirement have included people's increased longevity today compared with the 49-year life expectancy at the turn of the century when Germany pioneered retirement at age 65; inflation, which lowers pensioners' standard of living, and the psychological burdens of idleness and lack of motivation that frequently affect retired people. One of the major arguments raised in favour of retaining compulsory retirement at 65 is that it leaves jobs available for people entering the labour force.

WORKING TIME

U.S. unions to seek shorter workweek

Several major unions are expected to join in a vigorous campaign for a shorter workweek in the United States, to be kicked off by a conference in Dearborn, Mich., next April with 500 delegates expected from most of the country's unions. Groundwork for

the campaign was laid at an Oct. 25 meeting in Detroit of representatives from 50 locals of several unions, among them the United Auto Workers, the United Steelworkers, the Retail Workers, Machinists, Longshoremen and Electrical Workers.

The demand for a shorter workweek, as an alternative to high unemployment, was predicted in a report, by two labor economists, Sar A. Levitan and Richard S. Belous, published by George

Washington University's Center for Social Policy Studies, in Washington, D.C. The report, "Reduced Worktime: An Alternative to High Unemployment?", pointed out that full-time workers in the U.S. have experienced no major reduction in their hours of work since the Second World War.*

**The report is part of a book Spreading the Work, to be published late in 1977, by The Johns Hopkins University Press.*

FEDERATIONS OF LABOUR CONVENTIONS — FALL 1977

Newfoundland

Delegates to the Newfoundland and Labrador Federation of Labour convention, in Wabush, Labrador, Oct. 17-19, adopted without debate a resolution pledging the Federation's continuing support for the New Democratic Party and encouraging its affiliates to become affiliates of the Party also.

The vote came after three speakers attacked Liberal and Conservative policies, and praised the NDP — Julien Major, an executive vice-president of the Canadian Labour Congress, Federation President Tom Mayo, and John Green, the provincial NDP leader.

Major particularly criticized the federal government for not doing more to combat unemployment, and the convention delegates voted for the establishment of a "people's commission" to gather data about unemployment in the province and recommend action to create more jobs. The Federation intends to have the commission hold public hearings in several regions.

Federation statements criticized government unemployment statistics for understating the extent of the problem. The federal statistics do not include people who have not actively sought work during the four weeks before each labour force survey. And anyone who did any work at all — even one hour — during the survey week is counted as employed.

Provincial Labour and Manpower Minister Joe Rousseau, defended his government's labour policies but said he agrees with labour that wage and price controls are "unfair" and that a program is needed that will be "more palatable to labour."

Delegates also adopted several resolutions on on-the-job safety and they called for extension of workmen's compensation benefits to cover partial deafness and replacement of broken eyeglasses. Another resolution said employees of mines or other hazardous workplaces should be given annual medical examinations to detect occupational diseases.

Mayo, a Canadian Union of Public

Employees representative, was returned as president, defeating a bid for the office by Bill Parsons, a representative of the United Steelworkers of America. Others on the new executive include Austin Thorne, secretary-treasurer, and vice-presidents Matt Murphy, Calvin Vincent, Bert King, Daniel Hiscock and Len Leyte.

Nova Scotia

The 250 delegates to the Nova Scotia Federation of Labour convention, in Halifax, Sept. 28-30, took time off from their deliberations to join the Metropolitan Area Coalition of Support for the Unemployed in a protest march through downtown Halifax. Other groups participating in the march by the civic action group included the Halifax-Dartmouth District Trades and Labour Council, the Nova Scotia Women's Action Committee, the Voice of Women, the Halifax Committee of the Unemployed and the Nova Scotia Labour Research and Support Centre.

The parade ended in a noisy demonstration in front of the Canada Employment and Immigration office, where Gerald Yetman, Federation president, said four residents of Cape Breton had recently committed suicide because they could not find work.

The next day, Shirley Carr, executive vice-president of the Canadian Labour Congress, pointed out that the province's unemployment rate was 35 per cent above the national average, and said that only massive public protest would spur government action to tackle the problem effectively.

Provincial Labour Minister Walter Fitzgerald, in his address to the delegates, said the province sought a federal commitment to spend more money in the region. "We are looking for money that will create the wherewithal to enable us to develop our natural resources," Fitzgerald said. "We don't want giveaways. The workers want work."

The delegates adopted a resolution declaring unemployment and regional disparity to be "the real issues of concern and not separatism."

Another resolution called for the establishment of a free-port zone in the Halifax-Dartmouth area. Speakers in support of the resolution said that allowing materials to be imported and manufactured without being subject to Canadian customs — except for Canadian use — would attract international manufacturers who would employ local labour. Federation secretary-treasurer J.K. Bell said such zones had boosted employment in other countries.

Other resolutions called for an immediate end to "unjust wage and price controls," urged

affiliated unions also to become affiliated with the New Democratic Party, asked the provincial government to make it illegal for employers to hire strikebreakers or to continue to operate during a strike, condemned any reductions in health care services, supported proposals for a steel-hulled floating drydock for Halifax built in Halifax shipyards by local labour, and asked that medicare coverage include prescription drugs and dental and optical care.

Yetman and Bell were both returned to office without opposition. Others on the incoming executive include vice-presidents Dan Hood, George Boudreau, Frederick Burgess, Rene Quigley, Norman Hebert, Chester Sanford and Fran Sovoda.

British Columbia

The Canadian Labour Congress manifesto advocating tripartism, adopted by its 1976 biennial convention in Quebec City, was called into question by delegates to the 1977 convention of the British Columbia Federation of Labour, in Penticton, Oct. 31-Nov. 4.

"It is our firm conviction that tripartism is not relevant in present political circumstances," said a policy statement, presented by the Federation's officers and adopted by a majority of the 750 convention delegates. The statement said the CLC should concentrate its political initiatives on "building a more effective democratic socialist vote for the labour movement through the New Democratic Party."

Two days earlier, CLC president Joe Morris, in an address to the convention, had defended the concept of tripartism, under which a stronger labour influence, with government and business, was

sought in social and economic policy. But the Federation officers' statement questioned whether labour could achieve "full partnership status" with business and government. "On any basic question challenging the economic status quo, labour would be outvoted 2-1," it said.

The delegates also adopted a policy statement condemning the provincial Essential Services Disputes Act. The legislation, enacted in September, broadens the definition of essential services, and gives the government increased power to intervene in public sector disputes not only affecting its own employees but those of Crown corporations.

The policy statement calls on Federation affiliates to support any affiliate defying the legislation. It also calls on the Federation to set up its own emergency services advisory council to decide on and guarantee during a labour dispute "the continued delivery of emergency services in line with the practice of the trade union movement."

The delegates also adopted a committee report calling for a wide range of activities aimed at bringing public attention to and government action on the unemployment problem, including a rally at the opening of the 1978 legislative assembly, monitoring and collecting unemployment statistics by each union to assemble reliable jobless data, establishing a \$25,000 fund to help deal with the unemployment situation, and hiring an employment coordinator for the Federation for a three-month term.

The delegates also debated industrial democracy, and though some said the topic should be approached with caution, they adopted a resolution instructing

the Federation's executive council to prepare a report and recommendations on the subject for the 1978 convention.

There was no election of officers at this convention. The current executive was elected in 1976 for a two-year term which expires at the 1978 convention.

Manitoba

The Manitoba Federation of Labour also rejected tripartism in a resolution adopted by its convention, in Winnipeg, Sept. 22-24. And about 300 of the 475 delegates took advantage of one noon-day break in proceedings to join pickets outside the *Winnipeg Free Press*. A local of the Newspaper Guild was certified four years ago to represent 110 employees of the daily newspaper but was still without its first collective agreement.

Julien Major, a CLC executive vice-president, urged the Federation to support a CLC campaign to draw public attention to the unemployment problem and increase public pressure on governments to tackle it. Major attacked "public misconceptions" about unemployment, saying it was "totally false" to assume that a large proportion of unemployed people are voluntarily without work when there is now only one job available for every 25 unemployed people.

Premier Ed Schreyer also addressed the convention, calling

for labour support in his NDP government's bid for re-election in the Oct. 11 voting. (In that election, the government lost power to the Progressive Conservatives headed by Sterling Lyon.) The convention adopted a resolution calling on all affiliated unions "to provide funds and workers and do everything possible" to return an NDP regime. Delegates from the Manitoba Government Employees Association, which has been in several bitter contract disputes with the government abstained from the voting. The convention rejected a resolution from the Association calling on the Federation "to remove itself completely from political affiliates and direct its energies and resources toward the growth and strengthening of unionism."

On the closing day of the convention, however, the delegates joined in adopting a motion to "reiterate the Federation's commitment to work toward equality in all labour legislation" for public service employees "with no conditions attached."

The delegates turned down a resolution calling for a network of free day-care centres "completely financed by the state through levies on employers," but only after a lengthy and sometimes heated debate. Opponents of the proposal argued that children are primarily the family's responsibility, not the state's. The convention did, however, adopt a resolution calling on the government to provide an "adequate" day-care system through increased

funding levels and re-establishment of the ability-to-pay concept.

Other resolutions adopted by the convention called for legislation outlawing the hiring of strike-breakers and banning police assistance to non-union labour entering a struck plant, government policing of union organizing efforts to prevent company interference and automatic union certification if an employer is found guilty of this practice, legislation to encourage province-wide bargaining by unions with the same employer, legislation giving part-time employees the same fringe benefits as full-time workers on a prorated basis, establishment of an Equal Pay for Equal Rights Board to enforce the existing legislation against wage discrimination and broadening of the law to include penalties against employers for non-compliance, increased union efforts to negotiate job evaluation programs with their employers to remove sex discrimination, removal of the sales tax on fuel oil and building materials and a firm government policy of letting contracts only to unionized companies. Another resolution offered full support to the proposed 10-year moratorium on MacKenzie Valley pipeline construction.

There was no election for the office of president this year; the incumbent, Nels Thibault, having been elected for a two-year term at the 1976 convention. Officers elected this year were Paul Williams of the International Brotherhood of Electrical Workers as treasurer, and J.E. Pullen of the Manitoba Government Employees Association as first vice-president. 

The debate over mandatory retirement

by Ed Finn

When German Chancellor Otto von Bismarck originated the social security pension system in 1884, he arbitrarily set the age for receiving benefits at 65.

Other nations, upon following Bismarck's example, also adopted 65 as the qualifying age. Inevitably, employers looking for a suitable age for retiring their workers chose the same time that they would become eligible for a state pension. And so mandatory retirement at 65 became a generally accepted practice in most western industrial countries.

But today it's a practice that is coming under attack by human rights groups, by some politicians and labour leaders — and, most importantly, by older people themselves.

These critics charge that forced retirement at 65 — or, indeed, at any age — is an infringement of human rights, that it is a form of discrimination. They point out that, back in Bismarck's time, life expectancy at birth was only 37, and that very few persons lived beyond the age of 65. Today the numbers of healthy, active people in their 60s, 70s, and 80s are in the millions. Even if such major killers as cancer and heart disease are not conquered, the over-65 group in Canada will grow to 10 per cent of the population by the year 2000.

Not all older people want to work beyond 65. But many retirees, because of inadequate pensions and the ravages of inflation, are compelled to seek jobs to augment their incomes. Others

Ed Finn, information director for the Canadian Brotherhood of Railway, Transport and General Workers union, writes a regular column on labour for The Toronto Star.

have a genuine psychological need to keep working — so much so that some have reportedly been driven to suicide by their enforced inactivity.

Whether they want to work after 65 or not, most workers resent being denied the choice. They would like to retire at a time that suits them rather than their employer, their union, or their government. And because their numbers are growing, and with it the power of their votes, they are bringing strong pressure to bear on politicians to raise the mandatory retirement age, or do away with it altogether.

It's being called "the revolt of the old," and it's causing as much controversy as the so-called youth revolution did in the 1960s. The labour movement in particular is split down the middle on this issue, and so are most political parties, welfare agencies, and the news media.

The debate assumed a new urgency last fall with the passage of a bill by the United States Congress that extends the permissible mandatory retirement age from 65 to 70 in private industry, and allows federal civil servants to work beyond 70. This law, when it comes into effect in mid-1978, will have far-reaching consequences on American society, on its economy, and on the role of its "senior citizens."

As William M. Mercer Ltd. noted in



"Mandatory Retirement"

its monthly actuarial bulletin, "the significance (of this law) lies in the fact that the federal and provincial governments in Canada seem to be following the example of the 'Equal Employment Opportunity' legislation in the United States."

Don McGillivray, financial columnist for the Southam newspapers, has also predicted that Canada will eventually follow the U.S. example. He cited several American innovations — such as the Peace Corps, the "war on poverty," and the imposition of peace-time wage and price controls — which Canada later emulated. "If you want to know what's next for Canada," he said, "look south."

...forced retirement at 65...is an infringement of human rights...

The overwhelming support given the U.S. legislation surprised and shocked most observers of the Washington scene. A U.S. Labor Department official admitted that "it hit us like a bolt from the blue, and quite honestly we don't know how this is going to affect problems like chronic youth unemployment, sex discrimination, and shifting consumer patterns. Nobody knows."

In Canada, mandatory retirement under civil law is considered a basic management right — but it's not as sacred as it used to be. Human rights commissions in several provinces have started to challenge it, and in some cases have forced employers to reinstate workers who were let go because of their age.

The Ontario Human Rights Commission has openly denounced compulsory retirement at 65, and has urged that it be banned. The commission has upheld appeals

...the over-65 group in Canada will grow to 10 per cent of the population by the year 2000

from firemen against being pensioned off at 60, and an *Oshawa Times* employee was reinstated in his job after a ruling that his retirement at 65 was contrary to an anti-discrimination clause in a contract with the Newspaper Guild.

Most provincial human rights codes do not extend protection against age discrimination beyond 65. Manitoba is as yet the sole exception. Its legislation covers persons of all ages, but so far has been applied only to those over 65 who have no private pension. It will be extended, however, to employees covered by a benefit program, as soon as guidelines and regulations are approved.

Last June, in a precedent-setting case, an employer — Flyer Industries Ltd., in Winnipeg — was ordered to make a cash settlement to a worker forced to retire at 65, when a provincial board of adjudication ruled that the company had violated the province's Human Rights Act.

In British Columbia, while the age discrimination ban is limited to persons under 65, a blanket clause in the law forbids any discrimination "without reasonable cause." Some lawyers feel that the blanket clause overrides the age 65 limitation, and it may be only a matter of time before the B.C. Supreme Court makes a ruling to that effect.

Kathleen Ruff, director of the B.C. Human Rights Commission, says such a ruling "would open up the floodgates for cases disputing mandatory retirement at 65."

While most other interest groups are divided on this issue, the business community seems virtually united in its opposition to any legislation that interferes with the managerial right to retire employees at 65.

Business spokesmen contend that the U.S. bill will clog the channels of promotion, will deny advancement to younger employees, and will force companies to become harsher in rating the performance of older workers. If age is removed as the criterion for retirement, they argue, then efficiency and health will have to be substituted. Employees will have to undergo a medical checkup every year to establish their ability to stay on the job. And they'll have to measure up to strict performance standards.

One oil company official put it this way: "Let's face it — people's productivity begins to drop as they get older. You'd have a messy situation with no mandatory retirement forcing out the nonproducers."

Even under present U.S. laws, many companies have been forced to pay millions of dollars in back pay to employees let go before 65. The new legislation raises business fears of an upsurge in lawsuits by older employees who are fired or retired for cause. Executives don't relish having to go to court to belittle an employee who has served the company well for many years.

Some union leaders also dread the prospect of having their older members subjected to periodic medical checkups and performance tests to justify their continued employment. They can visualize the extension of the mandatory retirement age to 70 as more of a threat than a boon to workers whose capabilities tend to decline with advancing years.



"Couldn't you at least wait until I actually retired?"

"On the other hand," he said, "there are very difficult and hazardous jobs, such as asbestos mining, where the retirement age should be much earlier than 65. The health of a person, the kind of job he holds, as well as his personal desires and financial needs, should all be taken into account in deciding the most suitable age for retiring."

The inadequacy of so many private pensions is probably the main reason for the growing resistance to retiring at 65. Most workers — even those with relatively generous pensions — have to take a substantial cut in income when they're chopped from the payroll. And, unless they happen to be civil servants, they have to cope with a steady erosion of the value of their fixed incomes by inflation.

In its brief, the CLC put forward the principle that "retirement should be based on the positive inducement of an adequate pension," rather than on an arbitrary retirement age.

The AFL-CIO had fought previous attempts to change the retirement age, because of the sweeping effects it would have on negotiated pension plans, as well as on the already dismal job prospects of the young. But that traditional labour opposition wasn't mounted against the most recent bill. The 83-year-old president of the AFL-CIO, George Meany, said bluntly that "we won't lift a finger to stop it."

It's not just a question of aging labour leaders identifying with the interests of older workers. Unions have always been strong supporters of human rights, and have been persuaded in recent years that forced retirement — at least in some cases — does indeed infringe upon a basic right: the right to work.

The Canadian Labour Congress, in a brief presented to the Commons Justice and Legal Affairs Committee last May, urged that the Canadian Human Rights Act be amended to disallow refusal of a job to anyone solely because of age.

Questioned by MPs, CLC officials made it clear they weren't advocating that all employees work till they die. They felt, however, that the age of retirement should be made flexible, and determined by several factors, not the least of which would be the wishes and needs of those affected.

CLC Vice-President Julien Major observed wryly that there are several well-known MPs and Senators who are well above 65 and who are still performing quite effectively.

The labour movement has traditionally favoured earlier retirement, so that more jobs could be opened up for young people entering the work force. But that policy has always been conditional on the provision of pensions sufficient to assure a decent living standard.

The ambivalence of organized labour's present stand on this issue may be illustrated by quoting recent statements by Bert Seidman, director of the AFL-CIO's department of social security, and by Patrick Kerwin, director of political education for the CLC.

"A specified retirement age set by a collective agreement shouldn't be regarded as compulsory," said Seidman. "It's a group decision mutually arrived at.... Labour and management are best equipped to

work out retirement problems unique to their industries through the collective bargaining mechanism.

"It may be unjust to force retirement upon those who are healthy and wish to continue working," he added. "But it may be equally unjust to lay off younger workers with families to support and retain elderly workers who are eligible for social security benefits, a good private pension, and health care."

Kerwin, in an article in the CLC's official journal, *Canadian Labour*, referred to mandatory retirement as "agism in disguise."

"It works more hardship on unionized workers who are forced out of good-paying jobs than on professionals or managers who tend either to continue in employment or to secure lucrative contracts for consultation," he wrote.

After discussing some of the hardships inflicted on workers forced to retire on meagre pensions, Kerwin declared: "The solution lies in a retirement age that is flexible above 65 as well as below.... What we should seek are options for people. Adequate pensions are the basis of any real option, but we should not accept a rigid formula that denies people real alternatives. Agism is to be defeated neither by forcing older persons to retire at 65, nor by forcing them to work."

This view, however, is by no means universally held by Canadian unionists. Many labour leaders remain opposed to any tinkering with the present mandatory retirement age. They argue that it would expose workers to even more arbitrary management decisions, based on medical and capability tests, and that it would bar the job opportunity door to even more young people, and to minority groups.

Whether they want to work after 65 or not, most workers resent being denied the choice

Typical of those unionists who favour retention of the existing retirement age is Jack Pickett, a vocal member of the United Transportation Union in Edmonton. He contends that the present policy is essential for opening up jobs to the young.

"We're told that mandatory retirement is unfair to older workers," he said, "But what about the young person who can't find a job because a senior worker decides to keep on working till he's 70? Those who sympathize with the plight of retired people don't seem to care about the young men and women who are seeking jobs so they can get married and raise a family."

Some demographers predict that, because of the declining birth rate, the problem of high unemployment among the young will correct itself, and that actual manpower shortages may develop in many industries by the early 1980s. But unionists remain skeptical.

Says the UTU's Pickett: "Such factors as automation and the rising cost of fuel will more than offset the effect of the lower birth-rate in reducing unemployment."

He pointed to Canadian National Railways, which has trimmed more than 50,000 workers from its payroll since 1952, but moves more tons per mile than ever.

Emotions run high when the interests of the old seem to threaten the interests of the young. But everyone eventually ages, and the conflict between the two extremes may be more apparent than real.

Old age can be as much a state of mind as a physical condition. Persons who reach their 50s and 60s sometimes start to perceive themselves as being less energetic and healthy than before — and that perception then becomes a self-fulfilling prophecy. The looming approach of a compulsory retirement date can hasten that sort of self-induced breakdown.

Charles Whipple, the *Boston Globe* ombudsman, claims that mandatory retirement creates employees in its own image. "I've seen employees who, if it weren't for approaching retirement, would continue to be loyal and efficient workers," he said. "Because of it, they have lapsed into premature senility. They walk around like zombies just waiting for the day they retire."

The inadequacy of so many private pensions is probably the main reason for the growing resistance to retiring at 65

Workers in their last decade before retirement thus come to feel some kinship with those already retired. Says columnist McGillivray: "This group — about 2½ million in Canada — will grow, too, so that the combined voter strength behind an 'oldster' lobby could be 6 to 7 million — more than enough to swing a federal election."

Claude Pepper, the 73-year-old Congressman who sponsored the bill raising the mandatory retirement age in the U.S. to 70, probably did not overstate the strong feelings held by his age group when he made the following statement to the National Council of Senior Citizens last June:

"Mandatory retirement is a cruel euphemism camouflaging age discrimination and forced unemployment. With the surety of a guillotine, it severs productive persons from their livelihood, diminishes their sense of self-worth, and squanders their talents. The elderly of this country who want to work and are able to work deserve the opportunity to work. They are tired of platitudes. They demand action."

While there has so far been no such ringing declaration on behalf of the over-65 group by a Canadian political champion, it is no secret that some Canadian senators in their 70s and 80s look favourably on similar legislation here to raise the mandatory retirement age.

Laurence Coward, a consulting actuary and executive vice-president with William Mercer Ltd., though admitting that the campaign for such legislative action is only starting to gather steam, predicts that "pressure in this direction is very strong, and it's going to prevail."

That forecast is echoed by James Walker, a specialist in human resource planning with Towers, Perrin, Forster & Crosby. His advice to employers is not to gamble that a ban on mandatory retirement will be avoided. "Employers are well advised to get ready for flexible retirement," he says bluntly.

Companies, of course, will retort that this is much easier said than done. And so will unions. The issue is much broader than the age of retirement. It involves the adequacy of pensions, their indexing to the rate of inflation, the selection of fair and accept-

"...With the surety of a guillotine, it severs productive persons from their livelihood, diminishes their self-worth, and squanders their talents"

able alternative criteria for determining a retirement date, the problem of creating jobs for the young, pre-retirement counselling, and even such matters as extended vacations and sabbaticals, the provision of "second careers" and part-time work, and the conditions of nursing homes and other institutions for the aged.

Rather than have such a far-

reaching development sprung on us suddenly, as has happened in the U.S., it would be advisable to assign a task force or Royal Commission or joint Senate-Commons committee to make an in-depth study of the mandatory retirement issue and all its ramifications.

Its findings and recommendations will not likely reconcile differing views on this thorny subject. But at least they will ensure that all points of view will be heard and studied before legislation is drafted. Considering the enormous complexities involved, that may be all we can reasonably expect in the way of preparation for such a momentous social change. 



"You tell me I have to retire after 51 years with this firm — why didn't you tell me the job was temporary?"

Adapting to a changing world

by Eric Trist

People and the organizations they build are having to learn to cope with a quality in the environment that has become increasingly salient in recent years. This quality, which may usefully be referred to as *turbulence*, arises from the growing interdependence and complexity and the resulting higher level of uncertainty that exist in the world today. Among other factors, this turbulence is being induced by the accelerating rate of technological change. To put it succinctly, we have lost the *stable state*, and in order to regain it and reduce environmental turbulence, we can less and less depend on our inherited organizational values and forms. We have to seek new ones. Improving the quality of working life (QWL) is an essential part of the search for alternative organizational patterns.

As a consequence, in advanced industrial countries people are increasingly becoming concerned with the substitution of new ways for old in the world of work. These ways include collaborative rather than competitive values, participant management styles, trans-bureaucratic organizational forms, systems of shared power and control, and new principles of job design. Together these are aimed at creating work which is worth doing for its own sake by everyone in an organization. In short, a new work ethic is beginning to emerge, concerned with the quality of life in the workplace as a central part of the quality of life as a whole.

In the face of these developments, we have two broad choices. The first is to leave the vast bulk of jobs that must still be done in the

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manufacturing and service industries in the dull and monotonous state in which they exist at present, while maintaining a scale of pay that enables satisfaction to be sought elsewhere. Unfortunately, this position still reflects a majority view, which accepts a low QWL for the many.

The second choice is to redesign jobs and organizational forms so that the majority rather than merely the privileged few can do work which is meaningful and fulfilling, while at the same time maintaining a high level of performance. This position reflects the minority but emerging view. It does not accept a low QWL for the many.



"Remember, Bogs, labour can work without anyone managing, but management can't work without anyone labouring!"

Alienation, a sort of non-work ethic, has been increasing in the postwar period, especially among the younger generation whose expectations and experiences are different from those that arose under the conditions of scarcity that characterized the Depression years. Attitude surveys in several countries indicate that only the older worker continues to be willing to trade off dehumanizing work simply for good wages and employment security.

The problem is not simply that of either 'adjusting' people to technology or technology to people; it consists of organizing the man-machine interface so that the best match can be obtained between both. Rather it is essential that the whole socio-technical system — of which both technologies and humans are parts — be effectively 'optimized'. This is necessary at all levels and in all types of technology: the 'mediating' technologies with which the service industries are concerned, the intensive technologies with which professional and R&D organizations are concerned, as well as the 'long linked' technologies which form the basis of manufacturing. The task, in essence, is one of *joint optimization*.

The human individual has work-related needs other than those specified in a contract of employment (such as wages, hours, safety, security of tenure, and so on.) These *extrinsic* requirements, shown on the left of Table 1 form the legacy of the old work ethic. In addition, a variety of psychological requirements or *intrinsic* factors must also be met if the new work

ethic is to develop. These intrinsic factors, which are shown on the right side of Table 1, include:

TABLE 1
PROPERTIES OF JOBS

	Extrinsic	Intrinsic
1. The need for the job to be reasonably demanding in terms other than sheer endurance and to provide a minimum of variety (not necessarily novelty, which is too much for some people though the spice of life for others). This is to recognize enfranchisement in problem-solving as a human right.	Fair and adequate pay Job security Benefits Safety Health Due Process	Variety and challenge Continuous learning Discretion, autonomy Recognition and support Meaningful social contribution Desirable future
2. The need to be able to learn on the job on a continuing basis. Again, this is a question of neither too much nor too little, but of matching solutions to personal requirements. This is to recognize personal growth as a human right.	— Conditions of Employment Socio-economic	— The Job Itself Psycho-social
3. The need for some area of decision-making that the individual can call his own. This recognizes the opportunity to use one's own judgment as a human right.	These psychological needs and associated human rights are not confined to any one level of employment. Managers also need a high QWL. However, it must be recognized that it is not always possible to meet these needs to the same extent in all work settings; nor, indeed, do all kinds of people need them to the same degree — individual differences are considerable. Furthermore, these needs cannot always be	in terms of these factors — so long as the factors on the extrinsic list are also satisfied. Together they constitute the necessary and sufficient conditions for a high QWL — at the job or task level.
4. The need for some degree of social support and recognition in the workplace, from both fellow workers and bosses. This recognizes 'group belongingness' as a human right.		One popular approach to QWL has been through job enrichment, which is concerned with altering the boundaries of jobs so that the tasks included make a more complete whole, giving the worker more variety, more information, more decision-making and more autonomy than he or she previously enjoyed. Job enrichment entails considerably more than job enlargement and job rotation, though it may include both. All these activities, however, have centred on the individual rather than the group. Moreover, they have not in their orthodox form embraced participation but avoided it — the "enriching" has been devised solely by the experts hired by management.
5. The need to be able to relate what one does and what one produces to one's social life. That is, to have a meaningful occupational identity which gives a man or woman dignity. This recognizes the opportunity to contribute to society as a human right.	...we have lost the stable state and in order to regain it...we can less and less depend on our inherited organizational values...	
6. The need to feel that the job leads to some sort of desirable future (not necessarily promotion). It may involve training or redeployment — a career at shop floor level leading to the development of greater skill. This recognizes hope as a human right.	judged from conscious expression such as that given in responses to attitude surveys about job satisfaction. Where there is no expectation that any of the jobs open will offer much chance of learning, a person will soon learn to 'forget' such a requirement. It is difficult to accept as real something one has not yet experienced. Nevertheless, a high QWL may still be built	When job enrichment projects include participation they become congruent with autonomous work groups. The project that brought together in a fully participative

context the various findings concerning autonomous work groups and job enrichment in order to develop a first comprehensive model of work-linked democracy has become known as the Norwegian Industrial Democracy Project.

The project, which began in 1962 and is still proceeding, grew out of a crisis between the Norwegian Confederation of Employers and the Norwegian Confederation of Labour over a sudden increase in the demands for workers' representation on boards of management, initially proposed as a way of reducing alienation and increasing productivity. The two confederations (later joined by the government) requested the assistance of social scientists in order to gain a better understanding of what ordinarily would have been treated as a political problem. Research plans were drawn up in conjunction with representatives of the two confederations. Their participation in every step was crucial as the project entailed securing a very full understanding by the leadership of both sides of Norwegian industry of the findings as they became available. Effectively, the ownership of the project became theirs, a situation that is "a must" in the strategy of QWL.

The first phase consisted of a field study of what actually happened in the five major concerns where workers were represented on the boards. These were government-owned or part-owned enterprises obliged by law to have workers' representatives. The findings suggested that though such representation was positively valued for its own sake, there was nevertheless no increase in participation by the rank and file, no decrease in work alienation, and no increase in productivity, all results that have since been confirmed by other studies.

The widespread public discussion of the results opened the way for the second phase of the project:

"to search for ways of securing improved conditions for personal participation in a man's immediate setting as constituting a different and perhaps more important basis for the democratization of the work place than the formal systems of representation which seemed to have reached their limit at least for the time being."

Our traditional organizations follow the technological imperative, which regards man simply as an extension of the machine

This led to the idea of field experiments in selected plants in key industries, which, could serve as demonstration models for diffusion purposes. This method has since been widely followed in QWL projects in other countries, though it has recently been found to have serious drawbacks in that the high profile sites tend to become encapsulated.

One experiment of interest took place in the pulp and paper industry. A sophisticated chemical plant was selected where the basic work to be considered was information handling — the core task in the technologies of the post industrial revolution based on information and automation. Under these technologies, the requisite skills are perceptual and conceptual, while the requisite work organization is one capable of handling the complex information flows on which controlling the process depends. This requires immense flexibility as well as a high capacity for self-regulation. In

the experimental plant a number of the key process uncertainties or variances were not being effectively controlled by the social system — that is by the men and their managers — nor indeed had some of the most important of them even been identified. The research team therefore had to engage those concerned in evolving a form of organization that would bring as many of these variances as possible under the control of the primary work groups.

The model was developed of a joint management-labour 'action committee'. This appointed a task force consisting of operators, supervisors and two specialists as collaborating interdependent resources to fashion an optimum work organization for a new technology while they were learning the know-how of its operation. This demonstration of the problem-solving capability of a self-regulating work group was a major advance on what had so far been shown. Indeed, this model has become the basis of much that has happened since in several countries, including much of what is at present being done in the U.S.

The next step was taken at Norskhydro, the largest enterprise in Norway, which manufactures fertilizers and other chemicals. Here a whole plant rather than just a department was taken as the system to be changed. The work practices of an old plant were refashioned and the entire range of organization and operating procedures were developed for a new one. The first of these tasks proved more difficult than the second, a fact that has since been found in a number of other plants. Indeed, to change values, attitudes, work customs and organizational arrangements in established plants, as total systems, appears

to be one of the most difficult tasks in QWL. In some circumstances it does not work out at all, despite sedulous efforts, while in others it is painfully slow.

An additional innovation of the experiment was the fact that in the new plant a radically new principle of wage payment was tried out, namely paying people for what they know rather than for what they do. This idea opened up a new concept of pay, which has since been tried out in several countries, including the U.S., where it has been used in General Foods' Topeka plant. Under the system, it was recognized that as a man learned to perform more tasks

In the traditional organization each member has...to compete with and defend himself against everyone else...

he became more valuable, and hence was worth more money. The aim was to build up an all-round capability in the work force which would not only allow its members to be flexibly deployed according to the needs of a changing technological and economic environment, but would also enable them to contribute to the continuous improvement of the operation. This

project demonstrated what might be achieved when an industrial organization is deliberately developed as a 'continuous adaptive learning system' in which the planning process takes on a 'transactive' character involving all concerned. This mode, again, has become the basis of much that has happened since in work and organizational design, in many countries.

Still another experiment is the more recent work in the shipping industry concerned with the design and experimental trial of sophisticated bulk carriers. This has led to a further innovative step, for in this case many technological alternatives were available, but the chosen design was that which met most fully the needs of the small shipboard community which had to live together under isolated conditions 24 hours a day for considerable periods of time, while simultaneously undertaking all the work tasks. Their needs were shown by preliminary studies to be of overriding concern. A common recreation room — as well as mess — was established, where all ranks could socialize (and drink together rather than be isolated with a bottle in the cabin). Deck and engine room crews were thus integrated, and status differences between officers and men were reduced, or even eliminated through the development of open career lines on one or two "all officer" ships. Serial career structures also have been accepted, and training for a future job on shore can now be begun at sea.

This project shows how the properties of the required social system may become the starting point for technical design. We can actually start with QWL, for we now have the technologies to do it. This model is likely to influence plant design more and more in the



'Yes, Harry, we're most impressed with your performance — I can see it all now. You and me, arm in arm, marching forward to a brave new tomorrow.'

future. Volvo and Saab-Scania for example, were led to seek alternatives to the assembly line because Swedes would not work on the lines. Their job turnover and absenteeism were much too high, while foreign workers caused too much "re-work" and created social problems. So the engineers were asked to think again — not alone, either, but in composite design teams.

One finding of all the Norwegian experiments was the strong resistance encountered amongst middle management, and particularly by those who perceived themselves as likely to be adversely affected. Thus a positive reorganization of roles and career prospects at this level had to be worked out. The problem is still not completely resolved, however. It has haunted QWL endeavours everywhere, for supervisors and specialist staff are generally employed in traditional bureaucratic and technocratic organizations in numbers that are surplus to the requirements of innovative democratic organizations. Very often the manning level in the work force is also lower — sometimes much lower. This is one consequence of participation with which we must learn to deal, at least if we are determined to secure a high QWL for the many rather than the few. It means removing feather bedding, while facing up to the issue of job security. It also means working out desirable futures for those who may otherwise be adversely affected — or resistance will very soon put a stop to innovative schemes.

Thus, how to sustain innovation, when the wider organizational context is not as supportive as it might be, is another of the critical areas that the QWL enterprise needs to learn far more about than it does at present.

More than enough experience and research evidence is available to suggest that small isolated QWL projects in component parts of an organization do not survive in an alien organizational context. For example, some 70 such projects, most of which were doing quite well, and some very well, have faded away in the last three years in one large organization that I have recently studied. In this case, individual managers began to initiate small QWL projects some

The old paradigm is based on technocratic and bureaucratic principles, the new on socio-ecological and participative principles

ten years ago without much support higher up or even from colleagues. The organizational context was not changed. However, this is essential. It means undertaking systemic transformation and that entails abandoning the philosophy on which the old organizational paradigm is based and working towards a new philosophy that will guide the operational realization of the new paradigm of QWL. To this task the support of top management is essential.

What have we learned about diffusing a higher quality of working life into the organization as a whole? And what lies ahead?

Table 2 sets out the key features of the new organizational paradigm, which can potentially lead to a high QWL for all members of the enterprise. They contrast strongly with those of the old organizational paradigm, set out on the left, and which has been instrumental in constraining most employees to a low QWL.

Our traditional organizations follow the technological imperative, which regards man simply as an extension of the machine and therefore as an expendable spare part. By contrast, the emergent paradigm is founded on the principle of joint-optimization, which regards man as complementary to the machine and values his unique capabilities for appreciative and evaluative judgment. He is a resource to be developed for his own sake rather than to be degraded and cast aside, for as my former Tavistock colleague Phil Herbst has aptly observed, "the product of work is people" and a society is no better than the quality of the people it produces.

Traditional organizations are also characterized by maximum work-breakdown, which leads to circumscribed job descriptions and single skills — the narrower the better. Workers in such roles are often unable to manage the uncertainty or the variance that characterizes their immediate environment and they therefore require strict external controls. Layer upon layer of supervision comes into existence, supported by a wide variety of specialist staffs and formal procedures. A tall pyramidal organization results, which is autocratically managed throughout, even if the paternalism is benign. By contrast the new paradigm is based on an optimum task grouping, which encourages multiple broad-ranging skills. Workers in such a role system become capable of a much higher degree of internal control, having flexible group resources to meet a greater degree of environmental variance. This leads to a flat organization characterized by as much lateral as vertical communication. Moreover a participative management style emerges, with the various levels mutually articulated rather than arranged in a simple hierarchy.

TABLE 2

OLD PARADIGM

NEW PARADIGM

The technological imperative	Joint optimization
Man as an extension of the machine	Man as complementary to the machine
An expendable spare part	A resource to be developed
Maximum task breakdown, single, narrow skills	Optimum task grouping, multiple, broad skills
External controls (supervisors, specialist staffs, procedures)	Internal controls (self-regulating subsystems)
Tall organization chart, autocratic style	Flat organization chart, participative style
Competition, gamesmanship	Collaboration, collegiality
Organization's purposes only	Members' and society's purposes also
Alienation	Commitment
Low risk taking	Innovation

In the traditional organization each member has first of all to compete with and defend himself against everyone else, whether as an individual or as the member of a functional group — maintenance versus production, staff versus line, and so on. Rewards of promotion and privilege go most of all to those who, in the metaphor of Michael Maccoby's recent book, are 'gamesmen'. They excel in playing the political game of the organization. Co-operation, though formally required wherever tasks are interdependent, takes second place as a value. The new paradigm, by contrast, gives first place to coping with the manifold interdependencies that arise in complex organizations. It therefore values collaboration between groups as well as collegiality within groups. It encourages the establishment of a negotiated order in which multiple and mutually agreed tradeoffs are continuously arrived at.

Traditional organizations serve only their own ends. They are, and indeed are supposed to be, selfish. However, the new paradigm imposes the additional task on them of aligning their own purposes with those of the wider society as well as with those of their members. By so doing they become both 'environmentalized' and 'humanized', and thus become more truly purposeful, rather than merely remaining the impersonal and mindless forces that are increasing environmental turbulence.

A change in all these regards from the old paradigm to the new brings into being conditions that allow commitment to grow and alienation to decrease. Equally important is the replacement of a climate of low risk-taking with one of innovation. This implies high trust and openness in relations. All these qualities are mandatory if we are to transform traditional techno-

cratic bureaucracies into a continuous adaptive learning system. And this *is* the central task.

This transformation is imperative for survival in a fast-changing environment. It involves nothing less than the working out of a new organizational philosophy.

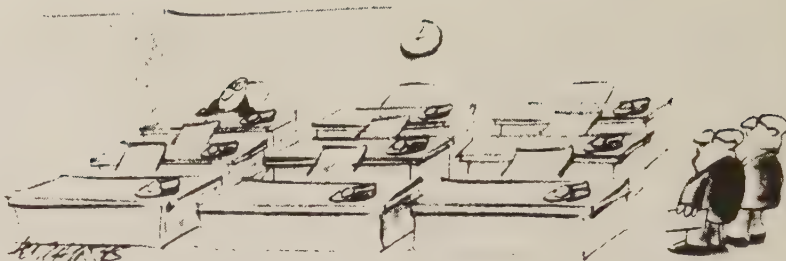
I use the term philosophy advisedly to indicate that far more is involved than methods or techniques. These of course have their place, but a philosophy involves questions of basic values and assumptions. Those of the new paradigm are radically different from those of the old. The old is based on technocratic and bureaucratic principles, the new on socio-ecological and participative principles. Each sub-system has a wide repertoire of response capability. It can thus better meet uncertainty and contain turbulence. This is one of the most

important features of self-regulating systems of autonomous work groups and of open mutually articulated levels. The old is geared to the requirements and characteristics of industrial societies as these have been fashioned historically. The new is geared to the requirements and characteristics of the emerging post-industrial order. At present we are in a transition channel between the two. A transition channel is always an uncomfortable place to be, full, as it is, of incompatibilities on the one hand and mirages on the other. It is no wonder that we have lost the stable state.

But I do not believe that the move towards a higher QWL as a central part of a broader quest for a higher quality of life is a mirage. It is a main way of absorbing environmental turbulence and so of regaining a more stable state.

In Norway the trend has been persistent and growing in strength for more than 15 years; in Sweden and one or two other countries for 10 years; in several others, including the U.S., for five years. Moreover, this trend does not appear to be reversible.

Nevertheless, it will be some considerable time before the new paradigm fully establishes itself as the dominant force in any country, even in Scandinavia. To change from the old to the new way involves a long and arduous process with many setbacks and disappointments, especially in transforming established organizations. A number of rearguard actions will be doggedly fought by those among both management and labour who want to have nothing to do with the new way at any price, including the price of



"Shame about Crenshaw, the only one in the department who's completely loyal, punctual and never takes a day off — but incredibly incompetent."

not doing very well as regards productivity.

The danger is that the required changes will come about too slowly to avert a degree of organizational dysfunction which will have serious consequences, economic and social, for the wider society. We have learned a great deal in the last two decades about facilitating organizational change. Much progress has been made in the field of organizational development; but we do not know very much yet about bringing about in large organizational populations the type of paradigm shift with which this paper has been concerned.

The prime importance of improving job security, if the support of organized labour is to be won, has been learned

Let me mention two portents of hope. First, the QWL movement has weathered the recent recession. There have been setbacks here and delays there but the movement has been far stronger in 1976-77 than it was in 1973-74. The prime importance of improving job security, if the support of

organized labour is to be won, has been learned.

Finally, we are passing into the era of a conservator society. This makes it more necessary than ever to develop to the full our human resources and so to learn to do more with less.

I believe this message about the enhanced importance of human resources is beginning to get through to an increasing number of people. Moreover as it does, a higher QWL will more easily become the goal for the many rather than the few, and as this happens, a critical enabling condition will be brought into existence that will help us to achieve a future more desirable than some that would otherwise be in store for us.

For myself, I am willing to be patient and modestly hopeful as regards the future of the new paradigm. In any case it is better to try to improve rather than simply bemoan the human condition, however much man may fall short of perfectability. That short fall need not prevent us from achieving a higher QWL for all in a work-a-day world, and thereby making life in the work-place both more pleasant and more relevant to human purposes. [19]

The advantages of expedited arbitration

by Roy LaBerge

At least part of the current national consciousness of the problems of grievance arbitration can be attributed to a conference sponsored in 1974 by McGill University's Industrial Relations Centre. Delegates to that meeting heard a succession of speakers reiterate the now familiar complaints that arbitration is too costly and too time-consuming, and that by delaying justice, it in effect denies it. This year, the centre sponsored a "mini-conference" on the same topic, but on a more positive note. Its theme was "expedited" arbitration.

At the fall 1977 conference in Montreal, speakers from the education, steel, rail, shipping and garment industries described techniques that are producing prompter and less costly arbitrations. They did not claim that all the problems of arbitration have been solved by these techniques, but said the parties were more satisfied with them than with the lengthier and usually more formal procedures used in other areas of grievance arbitration.

George W. Adams, an arbitrator and law professor at Osgoode Hall Law School in Toronto, succinctly summed up the major complaints that have brought arbitration procedures under closer scrutiny in recent years:

- It is said that the process is too slow. Three to five months often expire from the date a sole arbitrator agrees to hear a matter to the day the award is completed.

Tripartite boards take considerably longer.

- During this period of time the management decision stands. This can produce significant hardships in many situations, particularly those involving discharge. It has also been charged that some employers "stonewall" all grievances to take full tactical advantage of the inevitable delay.

- Employers have immediate and publicly subsidized access to public tribunals to enforce the no-strike pledges of trade unions. This inequality in remedies is perceived as unfair.

- The fees charged by private arbitrators bear no relation to the significance of the dispute before them but rather to the arbitrator's "opportunity cost" in not pursuing other matters. Accordingly, a large volume of relatively minor matters cannot be pursued for economic reasons, and it is again charged that many employers take full advantage of this fact. Therefore, forced to use grievance arbitration by a public statute, many trade unionists now feel the public should pay the cost of that system.

The fees charged by private arbitrators bear no relation to the significance of the dispute before them.... Accordingly, a large volume of relatively minor matters cannot be pursued for economic reasons

- The resulting extensive backlog of grievances burdens the collective bargaining process, creates internal problems for the trade unions, and may be a contributing factor to the substantial number of man-days lost due to mid-term illegal conflict.

- Associated with complaints about the delay and increased costs, is the criticism that the system is becoming entirely too technical, too legal, and that this reflects the dominance of the legal profession instead of serving the interests of the parties themselves.

- There has been some suggestion that the method by which arbitrators are paid is improper. It is said the payment of judges by the parties distorts the adjudicative process.

Adams holds that many of the problems of grievance arbitration arise from the very structure of the industrial relations system. An example, he says, is the system's "division of labour": Labour boards deal with certification, unfair labour practices and unlawful strikes; arbitration boards with grievances; mediators with negotiations; and courts with various kinds of unlawful conflict. "But in fact," he notes, "these substantive jurisdictions are very much inter-related when it comes to ascertaining the cause of conflict, which may in turn mean that no one tribunal has either a sufficient appreciation of the conflict or an adequate jurisdiction

to get at the root of the problems that constantly 'bubble up' before it."

Another problem built into the system is specialization: "A virtual phalanx of technocrats or experts... has been spawned to operate the system. Labour relations in each of its compartments is a full-time occupation and the legal and monetary implications inevitably mean the involvement of lawyers and the courts, as well as other enforcement agencies. The resulting ascendance of professionals has meant that the system has drifted out of control of the immediate parties in many instances and away from the values and norms of the workplace."

To Adams, the best future for arbitration lies neither in leaving it to private arrangements by the parties nor submitting it to some public forum, but in a mix of the two: "I have real doubts about the ability of private initiative to make significant changes in the system as a whole, although isolated relationships have and will continue to make great gains. As a result, I think the involvement of a public tribunal is inevitable, indeed possibly desirable, and the remaining question for me becomes: Should it have an exclusive, a competing, or an integrated jurisdiction with private arbitration? ...In responding to this question, I take the view that the reform ought to be broad enough to redress the problem and, having done that, as much of the private nature of the process as possible ought to be preserved."

Adams believes this approach to be consistent with the trend of other public involvement in Ontario, "in the sense that we have such intervention only in the construction and health and safety areas, where private initiative seems to be floundering."

An extensive backlog of grievances may contribute to the substantial number of man-days lost due to mid-term illegal conflict

A.C. Sinclair, Labour Canada's chief of arbitration services, presented an overview of grievance arbitration in Canada and described proposed amendments to the Canada Labour Code intended to improve the process and to provide a clear statutory framework for its operation.

One amendment would give the Minister of Labour statutory authority to appoint arbitrators and arbitration board chairmen in specific situations where the parties have failed to reach agreement by themselves on a selection. Such action by the Minister is not a statutory requirement now, although the collective agreements negotiated by the parties usually provide for it.

Another amendment would establish a 60-day deadline between the appointment of an arbitrator or a chairman of an arbitration board and the rendering of the arbitration award. Another would require that, where a collective agreement does not contain a provision for arbitration, an unsolved grievance would be referred to a sole arbitrator selected jointly by the parties or, if they could not agree, by the Minister, at the request of either party. Under the current code — and following application by a party, where there exists no arbitration clause — the Canada Labour Relations Board is required to furnish an arbitration provision in a collective labour agreement that does not have one.

Sinclair also described the

extensive research that Labour Canada has initiated into various forms of "industry" and "expedited" grievance arbitration mechanisms in selected industries — railways, longshoring, steel, construction, motor transport, garment, auto, and forest products. He further indicated that copies of the study would be available by the end of December.

He said most of the mechanisms have helped to reduce or eliminate many of the "inherent" defects in the conventional grievance process. In varying degrees they have reduced arbitration costs, delays and case volume. And they have enabled the parties to secure, on a long-term basis, the services of arbitrators with a high degree of expertise in their particular industry.

"A virtual phalanx of technocrats or experts has been spawned to operate the system."

"The parties have also made use of informal and flexible techniques to satisfy their particular requirements," Sinclair added. "This has helped reduce the labour management tensions and frustrations that would otherwise have resulted through the accumulation of unresolved grievances."

The delegates were told that a form of expedited, or "accelerated" arbitration has been a reality in the garment industry since 1926. But a union spokesman said the system works more effectively in the United States than in Canada because legal work stoppages are permitted in the U.S. if either party violates an arbitrator's decision.

Robert Fontaine, Canadian director of organization for the Inter-

national Ladies' Garment Workers Union, said the system developed "through necessity" because of the very nature of the industry. In Montreal, as in other cities, it is basically a piecework industry of small shops, each employing a small number of workers — in Quebec the average is 32. "Every time we negotiate an agreement, the ink is not dry before we have to begin renegotiating," Fontaine said. "Products and styles change continually; piece rates have to be renegotiated almost every day."

"I have real doubts about the ability of private initiative to make significant changes in the system as a whole.... The involvement of a public tribunal is inevitable...."

"There are plenty of complaints, and we have developed a procedure to settle grievances as fast as possible — first at the shop level, then at the level of the business agent and the employer, then at the level of the representative of the employer association and, finally, at the level of arbitration."

He said it usually takes only two or three days to reach arbitration, if a grievance goes that far, but that each level provides a deterrent: "The employer would rather settle with his own employees than have the business agent called in. Then he would rather settle with the business agent than have his own association representative come in and perhaps tell him he is wrong."

Two arbitrators and two standby arbitrators are named in the collective agreement. "They're supposed to be notified in writing," Fontaine said. "But we phone them to save time, and

they usually set up an arbitration time within a day or two. In 99 per cent of the cases no attorneys are used by either party. It is also spelled out in the agreement that the arbitrator has to render a decision in writing, within 48 hours. But the arbitrators usually do better than that — most decisions are given verbally, and a written one is provided only if one party requests it."

Sometimes the parties give the arbitrator more time than the stipulated 48 hours if he has to do research, but this is the exception, Fontaine said.

The system is not only fast but also inexpensive: "A single arbitration case in some industries can cost \$500 to \$1,000. Our arbitrators are on a retainer and the cost works out to something like \$100 per arbitration, split 50-50 between the two parties."

However, Fontaine noted, the strike-lockout deterrent in the U.S. means the system is more effective there: "In Canada, the parties are supposed to be bound by the arbitrator's decision, but if an employer doesn't abide by it, the union's only recourse is to the courts, and that can take two years. In the U.S., the arbitrator's decision is final, binding and irrevocable. If either party doesn't abide by it, the union is free to strike legally and the employer to lock out."

If the strike-lockout right were also available in Canada, the system would truly be one of "accelerated arbitration." He also said that somewhat similar systems are used by other unions and employers in the garment industry, although some have more levels before the arbitration stage is reached.

Expedited arbitration in the railway industry is provided by the

Most of the expedited arbitration mechanisms have helped reduce or eliminate many of the inherent defects in the conventional grievance process

Canadian Railway Office of Arbitration, and both a union and a management spokesman expressed general satisfaction with its work. R.C. Smith, national vice-president of the Brotherhood of Railway, Airline and Steamship Clerks, said the office has been refining its approach through the years. While the unions involved have some reservations about it, "I think it's safe to say that, on balance, we're happy with the way it works" he said. Robert Colosimo, CP Rail's assistant vice-president for industrial relations, said he thinks both management and unions "can be proud of our system."

About 68,000 organized employees — all but the shopcraft unions and two smaller groups — and 22 railway, steamship and express companies are under the jurisdiction of the office, which was established in 1964 to replace its 46-year-old predecessor, the Canadian Railway Board of Adjustment No. 1. Colosimo said the board of six management and six union representatives had worked well as a forum for settling disputes until the early 1960s "when its members began to polarize" and in more and more cases were unable to make decisions on the basis of a majority vote.

Now, a single arbitrator — J.F.W. Weatherill, who has held the post since 1968 — hears all grievances referred to arbitration. Each request for arbitration is accompanied by a Statement of Issue containing the facts as well as a

reference to the specific provisions of the collective agreement alleged to have been misinterpreted or violated. The parties may, however, file separate statements if they cannot agree to one.

The arbitrator must hold a hearing within a month, to which each party submits a written statement with its supporting evidence and arguments. Each party may be represented by counsel if it wishes and may examine all witnesses. The arbitrator must render his decision within 30 days of the conclusion of the hearing. The decision is final and binding upon the employer, the bargaining agent and all the employees concerned.

In the garment industry, most decisions are given verbally, a written one is provided only if one party requests it

The office costs an average \$47,000 a year, including rent of office space, a full-time secretary and the printing and distribution of awards — divided equally between the railways and the unions. Internally the unions have a formula to apportion their shares of costs among themselves, as have the railways. With 53 cases referred annually, the average cost per case is about \$900.

Colosimo says one reason for the system's success is its informality: "The average hearing is not a legal battleground. The submissions of the parties are in writing, followed by rebuttal. The use of witnesses is rare — the case being handled by the senior union officer concerned and the labour relations officer of the company. In the more than 600 cases heard, I would say that legal counsel has been present in only about 30."

In the United States, the legal strike and lockout weapons are available if one of the parties does not abide by an arbitrator's decision

Another factor in its success, he added, is that it is an agreed-upon procedure with established timetables for hearings and a deadline for decisions. Moreover, it is the negotiators of the agreement who are responsible for the administration of those agreements, without resort to outside third parties being brought into arbitration.

The retention of a long term arbitrator also contributes to the office's acceptance "because he has been able to become familiar with the terms and conditions of the collective agreement and establish consistent jurisprudence for the guidance of the parties in the handling of like disputes. Most of all, it works because the parties "respect the process."

The West Coast longshoring industry, the conference was told, has had 14 years' experience in "instant" arbitration — a two-part system with a local "job arbitrator" available to the parties as a "whistle blower" 24 hours a day every working day of the year, and an industry arbitrator to hear grievances that had gone through the formal grievance machinery and were still unresolved or to hear appeals from either party stemming from a decision of the job arbitrator. There is also an alternate job arbitrator who makes himself available when the job arbitrator is on vacation or is otherwise unavailable.

"The job arbitrator has direct jurisdiction, on direct application of either party, to deal with almost every situation that can arise

under the terms of the collective agreement," said Norman Cunningham, president of the British Columbia Maritime Employers Association. "There are a couple of exceptions, such as the dispatch of labour which is dealt with by a dispatch committee, and matters of discipline which are required to flow through the normal grievance machinery.

"An appeal from the job arbitrator's award is first submitted to the top committee on the B.C. waterfront, the Joint Industry Labour Relations Committee. Only if the committee cannot deal with the appeal satisfactorily does it go to the industry arbitrator. The committee, incidentally, also serves as a forum for discussing problems of a universal nature in the industry, as well as dealing with suggested amendments to the collective agreement during its term."

Cunningham said the industry has pioneered this system in Canada, developing it through trial and error. Despite its wrinkles, the parties have become "relatively happy" with it. "It is more effective than any other machinery I am aware of," he added.

"It works because the parties want it," he said. "Before it was introduced, we were plagued with work stoppages and dislocation primarily because people were no longer prepared to await the results of the protracted grievance machinery. We have not dispensed with the normal grievance machinery and still utilize it in a number of areas, particularly where the party to whom the grievance applies will not suffer as a consequence of the time factor involved."

At first, however, the number of arbitrations was "something bordering on the astronomical," he

said. "It seemed the parties to the agreement were seeking to gain from the job arbitrator those things which they could not achieve at the bargaining table. As the years went along, the number of cases became fewer and fewer, primarily because the arbitrator discouraged the submission of frivolous issues by ruling against the applicant party."

The International Nickel Company and Locals 6200 and 6500 of the United Steelworkers of America have had a system of expedited arbitration in force since 1972, and the union has had some success in negotiating similar mechanisms with other employers. In the Inco system, where the parties agree mutually, grievances are not sent to a tripartite arbitration board but to one of two grievance commissioners who act in rotation, each of whom sets aside one day every month for grievance hearings.

In advance of the hearings, the commissioners receive a copy of the grievance, a written summary of the Stage Two meeting outlining the facts and the parties' positions, and briefs from the parties supporting their positions. At the hearings, which are brief and informal, each party presents a brief verbal argument. Within seven days, the commissioner gives a written answer — either "grievance allowed" or "grievance dismissed," with a brief statement of the reason for his decision. That decision is final and binding on the parties, but has no precedent value.

W.T. Gretton, Inco's industrial relations manager, said the commissioners have heard 192 grievances at their 37 hearings so far. About 65 per cent of the decisions were in the company's favour, as contrasted to 80 per cent of normal arbitration cases. "I believe the commissioners are sometimes prone to look at the 'equity' of the

One reason for the railway system's success is its informality; the average hearing is not a legal battleground

situation rather than the hard language of the agreement," Gretton said. The average time from hearing date to receipt of the award has been seven days, compared with 50 days for arbitration boards. The cost has averaged \$242 a case — \$121 for each party. Gretton stressed that the commission system is an alternative but not a "substitute" for arbitration: "We still make a great deal of use of the tripartite process," he said.

The example of expedited arbitration in education presented at the conference grew out of 1975 legislation providing collective bargaining procedures for primary and secondary school teachers in Ontario. Mediators, arbitrators and "fact finders" had to be trained by the Ontario Education Relations Commission, established under the legislation.

Owen Shime, the commission's chairman, said 80 to 100 people were exposed to a program of seminars and practical experience. As a result, the commission now has a cadre of 45 to 60 persons qualified and available to serve the parties in the province. One unexpected result of the program, he said, is that it has produced a number of arbitrators who are not only available for school negotiations but who are serving in other fields in both public and private sectors.

Shime said the commission's approach, in which experienced arbitrators led a practical program of both seminar discussion and field experience, could be used in other areas to meet the need for more experienced arbitrators.

The participants also heard from Ronald Tremblay, head of La Conférence des arbitres du Québec, who described how 70 arbitrators in that province have formed their own association to promote speedy and just arbitration procedures, establish a code of ethics and further their professional formation. The conference has also proposed amendments to the provincial labour code, and its members are collaborating in current experiments with a system of expedited arbitration. Montreal lawyer Michel Robert, a former battonier of the Quebec Bar Association, counselled against "plunging wholeheartedly" into accelerated arbitration, lest justice be short-circuited. He discussed the need for greater legislative authority. So did another Montreal lawyer, Roy Heenan, who said the present Quebec legislation puts restrictions on the process with regard to such matters as subpoenas and the production of documents.

Other speakers included Robert Coulson, president of the American Arbitration Association, who spoke on problems of using arbitration to resolve cases involving discrimination; A.E. Munro, assistant to the national director, United Steelworkers of America, who also discussed the Inco mechanism, and Peter Seitz of New York City who described some of his headaches as an arbitrator for professional sports.

The conference ended on a more optimistic note than did its predecessor in 1974. Most participants would agree that the discussion had demonstrated the soundness of an opinion expressed by Weatherill in his keynote address: "There is no easy solution to any of these problems. Expedited arbitration is not a magic wand; it is a challenge to the parties to make their collective bargaining relationship work." [9]

Does CUPE's decision spell the end of tripartism?

by John Clarke

The decision by the Canadian Union of Public Employees at its national convention in Vancouver in October to drop out of any further discussions on tripartism has set the stage for a new drama within the labour movement on the whole question of economic planning.

The decision represents a complete reversal of CUPE's own policy, which was originally to support the Canadian Labour Congress's efforts to develop a co-operative mechanism involving labour, management and government in joint industrial-economic planning and decision making. It was a reversal in the making almost from the moment CUPE agreed with policy resolutions at the CLC convention in Quebec City 18 months ago. It soon became evident after Quebec City that CUPE rank and file were uneasy about tripartism and in the last 12 months the CUPE leadership has been reflecting a change of opinion in public speeches and private debate with other union leaders.

But even as the CUPE delegates in Vancouver were rejecting tripartism, CLC president Joe Morris was telling the Canadian Pulp and Paper Association at a conference in Victoria that organized labour still wants a tripartite relationship with government and business.

Morris, disappointed at the failure of discussions of the issue earlier this year, said, however, that any further meaningful talks would have to be carried out on an

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institutional basis and, because labour doesn't trust government, any mechanism agreed upon would have to have the stamp of legislation.

His approach would be to pursue some form of co-operative agreement between business and labour and then press the government to set up procedures by which "we can all sit down and discuss our problems."

That is clearly not good enough for CUPE. It's not opposed to discussions with government on what it calls "issues of the day." But it will have no part in any formal arrangements enshrining a principle of tripartism. This will put it in direct conflict with Morris and, presumably, other CLC officers whose views Morris is obviously reflecting.

At the CLC convention in Quebec City next April CUPE will oppose tripartism and, since it is the largest union in Canada with nearly 240,000 members, it will have a very great influence on the deliberations. It can be expected to lobby for support among other unions between now and the CLC convention. Indeed it's already claiming growing support from a number of other large unions.

Congress officers are not likely to yield the lobby to CUPE and they

will be doing their own propaganda work among the unions. Even so, the CUPE decision in Vancouver alone probably spells the end of tripartism. It would be extremely difficult for the CLC to pursue the question while its largest affiliate refuses to participate.

The CUPE decision could hardly have been couched in stronger language. It said:

"If the CLC enters a form of tripartism from its present position of weakness, it would be co-opted into serving the interests of corporations because government has not shown itself to be a neutral third party standing between business and labour.

"Recent history has amply demonstrated that government policies are heavily weighted toward business. As public employees, we recognize from our collective bargaining and work experience that the attitudes of public and private sector employees are not significantly different. Labour would be outnumbered two to one on a tripartite body.

"In fact, the government has been promoting its version of tripartite and multipartite structures to legitimize and extend its influence.

"During the past year, the government has directed attention toward the 'high incidence of strikes in Canada', the 'low productivity of Canadian workers' and the requirement to build confidence in the 'market economy, profit motive and investment incentive'. Accord-

ing to the government, Canada needs to remove 'the negative aspects' of our labour relations system and develop new approaches through consultation between the state, workers, trade unions, employers and the provinces."

The CUPE statement accuses the government of neglecting discussion of what the union calls the real causes of work stoppages and goes on:

"Acceptance of a tripartite arrangement between government, business and labour is also a denial of labour's traditional alliance with the New Democratic Party. Participation by labour in tripartite decision-making is a clear sign that we have given up all hope of a labour-oriented party ever coming to power...

"Tripartism goes beyond collective bargaining and consultation and, in effect, allows an unelected high-level body to make major economic decisions affecting all Canadians.

"All of this leads to the conclusion that a tripartite arrangement could only work to the detriment of working people. We would become accomplices to programs which strengthen corporate interests at our expense. The present imbalance of forces — which is weighted against labour — must be reversed in order to create a better society.

"If we truly wish to introduce positive changes, labour must first look inward and attempt to overcome basic weaknesses within our movement."

CUPE's reversal of attitude on probably the most crucial issue facing Canadian labour today might never have taken place if wage and price controls had been

...the government has been promoting its version of tripartite and multipartite structures to legitimize and extend its influence

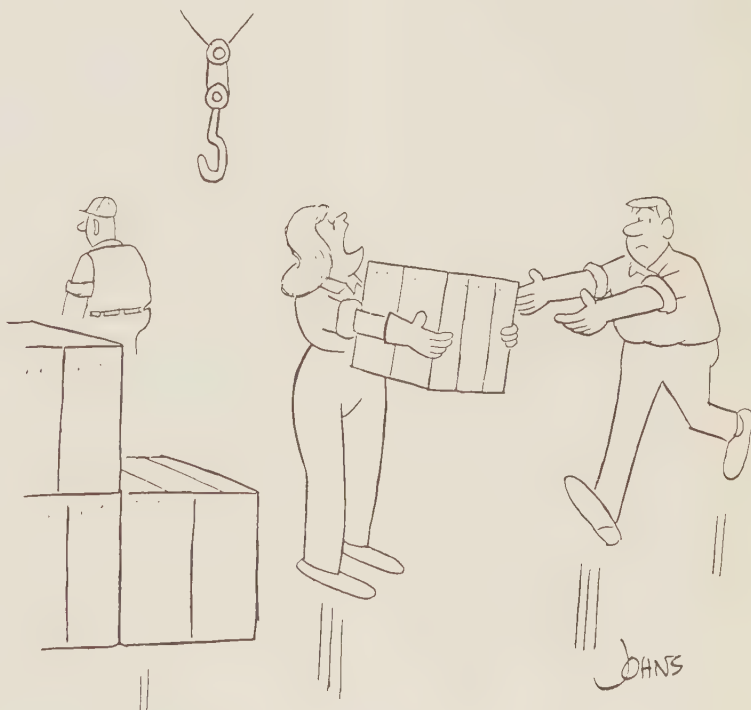
removed a year ago. Its statement referred to the development of the tripartite idea as an alternative to the controls "for addressing the economic and social issues during the post-control period." When it was first advanced CUPE favored it as much as any other union and if the controls had been removed as a quid pro quo, tripartite procedures would probably have been in place by now. CUPE would then have found it very difficult to withdraw.

That at least is the prevailing analysis of CUPE's change of

heart. The Vancouver decision is seen as the culmination of growing unease among public service workers the longer the controls remained in place and of their own perceptions as trade unionists compared with private sector employees.

They work for politicians, not the federal or provincial governments but local government primarily. Because they're closer to the politicians they believe they get a clearer reading of the politicians' intentions and so are more inclined to distrust them. For them, government at whatever level is more likely to be the ally of business than of labour.

They are relatively new to trade unionism compared with private sector workers. CUPE itself is only 15 years old. Older unions have a



"I DON'T NEED YOUR HELP! I CAN PERSONAGE JUST FINE, THANK YOU"

more clearly defined relationship with their employers and may feel more comfortable and confident with it than public service workers.

But the CUPE members believe that from their position they can take a more objective view of the situation. Hence their perception of labour as a weak partner in a triumvirate with business and government.

In Vancouver they produced their own alternative to tripartism. They proposed the establishment of "watchdog" committees to expose what they called waste, inefficiency, and the "poor quality of product" in the industries or services in which trade unionists are employed.

They blamed waste and inefficiency, especially on the part of management, for Canada's economic troubles. They want union committees set up in major industries such as automobile manufacture, textiles, steel, fishing and mining as well as in the public sector.

Their statement on economic policy said:

"We as public employees must face the fact that there is waste and inefficiency in the public sector. We are not responsible for these problems. By exposing their

"tripartism goes beyond collective bargaining and consultation..."

causes, we can lay the foundation for an expanded public service and stop the process of privatization and cutbacks which have been launched.

"Only by placing emphasis on the usefulness of the jobs we do and the potential for expansion through elimination of waste and inefficiency can we protect our jobs from the cut-back, take-back, shift-back and throw-back schemes of our employers."

The statement rejects high labour costs as the cause of Canada's economic problems. It said that while Canada's share of world exports fell from 5.4 per cent to 3.8 per cent in the five years to 1975 and imports rose from 26 per cent to 33 per cent of the domestic market, labour costs in Sweden, West Germany and Japan rose three times as fast as those in Canada.

Canadian labour costs have risen at the same rate as those in the United States. And, the statement said, while Canadian wage rates were 20 per cent below the U.S. the "differential didn't somehow create a strong industrial base in Canada at the time."

So CUPE's tack is simple enough. Tripartism for it is dead. Labour's job is to turn the spotlight on wasteful and inefficient management and production methods in the hope of forcing industry to do a better job and to encourage government to look at outmoded and ineffective management rather than at wages.

This was a constant theme throughout the convention. Labour must look after its own interests through traditional collective bargaining rather than rely on any new mechanism over which it would have little control. Part of its approach is to upgrade union expertise so that it can do a better job. And to do that it wants more public funds spent on education and training for the union movement, including courses at the university level.

The universities now provide business administration training of a high order, says CUPE. Why shouldn't trade unionism get the same kind of support?

Ultimately the purpose would be to make labour a strong element in the Canadian economic society. Only when it reaches a level of maturity and strength to compare with business would it presumably be possible to consider some form of tripartite economic planning. 

Productivity and technology in the Canadian regions

by George Post

Productivity has always been regarded as an important ingredient in economic well being. Now, it appears that improvements in productivity are going to be absolutely essential if reasonable growth of the economy is to be achieved.

Before proceeding further, however, it is essential that the term productivity be defined in a reasonably precise way. In general terms it may be defined as a measure of the efficiency with which productive inputs, that is labour, capital and natural resources, are combined in the production of goods and services. Because labour is the easiest of the inputs to measure in quantitative terms, productivity is frequently expressed in terms of output per unit of labour, for example as the dollar value of goods and services per worker. This is then referred to as labour productivity. It could, of course, also be expressed as capital productivity or more precisely as total factor productivity, but for the sake of simplicity it will be convenient to restrict our analysis to labour productivity. However, it is important to observe that though we refer to productivity in terms of labour only, since other factors such as capital and natural resources are also involved there is much more to labour productivity than merely how hard people are prepared to work. Indeed in some way, it is regrettable that the labour input is the easiest one to measure because the implication that labour is the only factor in

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productivity performance has led, at times, to considerable labour relations difficulties and to some bias against the whole subject of productivity.

Having defined it, there is one other point that must be clarified before we can proceed further and that is the distinction between productivity in absolute terms and productivity growth.

In absolute terms productivity may be expressed as the dollar value of output (value added) per person employed, and is currently about \$15,000 for the Canadian economy as a whole. Frequently, however, because productivity growth is a key factor in the overall growth rate of the economy, productivity is also referred to in terms of rates of growth rather than as dollars of output. In practice the distinction is quite important because in recent years productivity in manufacturing has been growing considerably faster in Canada than in the United States. However, in spite of these higher productivity *growth rates* the Canadian *level* of productivity in manufacturing in terms of output per worker is still

...there is much more to labour productivity than merely how hard people are prepared to work

some 20 per cent below that of the United States.

Having cleared up the question of definitions we may now proceed to an examination of regional variations in productivity in Canada.

The main factors that contribute to regional variations in labour productivity are industrial structure and differences in output per worker within each industry. Output per worker, in turn, is governed largely by three additional variables, namely labour quality, capital and technology. While the latter has been singled out for particular attention in the title of this paper the other factors are also of considerable importance. It is not possible to determine exactly how much each factor contributes to provincial variations in labour productivity, but on the assumption that all factors of production are paid roughly in accordance with their productivity, we have been able to estimate the approximate contributions of each. The word "approximate" is used because it is not too difficult to find examples of pay discrimination against certain types of employees — such as women, those without university degrees, some young people, and so on — who may actually be producing as much as their counterparts who are being paid more.

Turning to specific productivity data, Table I indicates the differences in absolute labour productivity among the regions of Canada.

From the Table it is clear that in the total economy, labour productivity in the Maritimes was on average some 23 per cent below that for Canada as a whole; in Quebec it was 7 per cent below. Only in Ontario, Alberta, and British Columbia was it above average. Moreover, with a few notable exceptions, these variations in productivity appear to be due much more to differences in output per worker in individual industries than to industrial structure.

Despite this, however, industrial structure was an important factor in below average labour productivity in Prince Edward Island because of the concentration there on agriculture and fishing — both low-productivity industries. In Saskatchewan, agriculture alone was largely responsible. Of particular interest is the fact that in Quebec manufacturing, industry structure has contributed about equally with output per worker to the 13 per cent lower than average manufacturing productivity in that province. This appears to be due largely to the concentration of textiles, clothing and knitting, where productivity is relatively low. Indeed, these are among the industries that are having the most difficulty in trying to compete against imports, and were also among those recently reviewed in the mini-summit meetings arranged by the Quebec government to study the problems of particular industries in the province.

As noted above, however, output per worker appears to be of much greater significance in explaining differences in labour productivity, indeed about 80 per cent of the variations in labour productivity among the provinces is calculated to be due to differences in output per worker within the various industries.

Table 1

Difference between provincial and national labour productivity levels, and the contribution of industry structure and output per worker, three-industry aggregates, by province 1970-73

	Provincial and National Labour Productivity in Value Added Per Worker		Difference Between Provincial and National Labour Productivity	Contribution	
	(Dollars)	(Per cent)		Industry Structure	Output per Worker
Total economy					
Newfoundland	10,187	91	- 9	6	-15
Prince Edward Island	6,716	60	-40	-16	-24
Nova Scotia	8,615	77	-23	- 1	-22
New Brunswick	9,138	82	-18	1	-19
Quebec	10,362	93	- 7	1	- 8
Ontario	11,680	104	4	1	3
Manitoba	9,980	89	-11	- 3	- 8
Saskatchewan	11,056	99	- 1	-12	11
Alberta	12,792	114	14	- 4	18
British Columbia	12,283	110	10	1	9
Canada	11,194	100	0	0	0
Manufacturing					
Newfoundland	11,856	78	-22	2	-24
Prince Edward Island	10,155	67	-33	2	-35
Nova Scotia	11,171	74	-26	1	-27
New Brunswick	11,925	79	-21	-1	-20
Quebec	13,315	87	-13	-6	- 7
Ontario	16,562	109	9	3	6
Manitoba	12,309	81	-19	-8	-11
Saskatchewan	16,346	108	8	2	6
Alberta	16,068	106	6	2	4
British Columbia	16,477	109	9	0	9
Canada	15,168	100	0	0	0

Note: Estimates for the total economy relate to 11 major industries: agriculture; forestry; fishing; mining; manufacturing; construction; transport and utilities; trade; finance, insurance, and real estate; community, business and personal services; and public administration. Those for manufacturing, to 20 manufacturing industries.

Source: Based on Statistics Canada data, and estimates by the Economic Council of Canada.

Table 2 shows the degree to which output per worker varies from province to province within the same industry, and gives an indication of how these variations can

The main factors affecting output per worker are labour quality, capital, and technology

account for a large share of the productivity differences. For example, output per worker in textiles ranged from \$7,500 in Manitoba to \$10,700 in Quebec and \$12,900 in Ontario; in knitting from \$6,700 in Nova Scotia to \$9,100 in Quebec and \$10,500 in Manitoba; and in chemicals from \$9,400 in

Nova Scotia, to \$18,400 in Quebec and \$28,800 in Alberta, more than 200 per cent above the lowest rate of output.

The main factors affecting output per worker are labour quality, capital, and technology. Each of these will be considered in turn.

Regional variations in labour quality contribute significantly to regional variations in labour productivity. Table 3 shows that labour quality varied by as much as 10 per cent among the provinces, ranging from 95 in Newfoundland to 97 in Prince Edward Island, New Brunswick and Quebec and a high of 105 in British Columbia, all on the basis of Canada equalling 100.

Table 2

Output per worker in manufacturing industries, provinces and Canada, 1970-73

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alb.	B.C.	Canada
1. Food and beverages	9,640	10,141	9,931	11,817	16,130	18,692	14,110	14,781	15,892	17,101	16,308
2. Tobacco products					22,097	31,716					24,974
3. Rubber and Plastics					13,726	15,967	8,682		14,678	11,456	15,010
4. Leather					7,853	8,320	8,315		8,775	9,153	8,083
5. Textiles			10,338		10,745	12,884	7,438	11,288	11,839	10,294	11,574
6. Knitting mills			6,692		9,057	7,925	10,530				8,605
7. Clothing					7,580	7,988	7,236			7,685	7,657
8. Wood	7,095	7,279	9,175	9,264	10,856	11,796	10,254	16,951	13,432	15,642	13,244
9. Furniture and fixtures			7,265	8,335	9,747	11,221	9,368	9,585	10,832	11,894	10,517
10. Paper and allied industries			17,504	14,841	15,720	15,364	16,688		19,853	21,640	16,626
11. Printing, publishing and allied industries			12,226	11,164	14,452	14,497	12,315	11,576	14,525	14,728	14,248
12. Primary metal					18,145	17,845	15,663		15,944	15,849	17,352
13. Metal fabrication	12,131		11,915	11,684	13,455	15,089	13,096			15,840	14,556
14. Machinery					12,725	16,455	10,511	13,742	13,308	13,758	15,178
15. Transportation equipment			10,303	10,563	12,902	22,064	10,479		11,160	14,064	18,719
16. Electrical products			6,878	11,963	14,145	14,154	11,068		11,714	12,268	13,937
17. Non-metallic mineral products	16,577		16,445	13,933	17,039	18,069		18,731		18,462	18,117
18. Petroleum and coal products					43,510	16,890		40,278	44,809	43,247	29,399
19. Chemical and chemical products	23,401		9,434	21,433	18,426	24,963	20,318	18,029	28,825	19,940	21,808
20. Miscellaneous manufacturing industries	9,869		10,017		10,681	14,384					13,051
21. All manufacturing	11,856	10,156	11,171	11,925	13,315	16,562	12,309	16,346	16,068	16,476	15,160

Source: Based on data from Statistics Canada and estimates by the Economic Council of Canada.

Table 3

Index of labour quality in all industries, by province, 1970

Newfoundland	95
Prince Edward Island	97
Nova Scotia	100
New Brunswick	97
Quebec	97
Ontario	101
Manitoba	99
Saskatchewan	100
Alberta	103
British Columbia	105
Canada	100

1. Estimates are based on national wage rates paid to full-time employees, male and female, in five age groups and at six levels of educational attainment.

Source: Estimates by the Economic Council of Canada, based on data from Statistics Canada.

In manufacturing, labour quality was generally lowest in the leather, wood, furniture, textile, knitting mill and clothing industries, as can be seen from Table 4.

By contrast advanced technology industries like petroleum, electrical products, and chemicals employed labour of above-average quality.

The main factors determining labour quality were education, age, and the proportion of women in the work force, with education having much greater impact than the other factors. Table 5 shows the education levels reached in the various provinces by workers in the prime 25-34 age group.

Many believe that labour productivity depends not so much on work effort and skill as on the amount of capital stock in the form of plant and equipment that is provided for the worker. Plausible as this hypothesis may sound, however, evidence does not support it very conclusively.

As can be seen in Table 6 capital stock per worker varies greatly from a low of \$31,000 in Prince Edward Island to more than

...capital investment does not automatically ensure greater labour productivity

\$55,000 in Alberta and Saskatchewan.

What is interesting and important is to compare these figures on capital stock per worker with the figures in Table 1 on output per worker. It will be seen that in Newfoundland, for example, where capital stock levels are 24 per cent above the Canadian average, output per worker is only 91 per cent of the national average. On the other hand, in Ontario where capital stock per worker was only 88 per cent of the Canadian average — the second lowest of all provinces — output per worker was above average and third highest among the provinces. In other words, capital investment does not automatically ensure greater labour productivity more-over the capital per worker data indicate that it is not closely related to output per worker.

Finally, there is the question of technology. However, because the technology factor encompasses a

wide range of individual innovations not all of which are universally applicable, it is not possible to measure very meaningfully the effect of technology on output per worker. Thus, in our analysis we have combined the adoption of new technology, management training, and research and development, together with other factors such as firm size, into a sort of residual, accounting for the inter-regional differences in output per worker that are not represented by labour quality and capital. This is not to suggest that the technological and related factors are unimportant or, indeed, even of secondary importance. Table 7 shows the growth of output per worker in the goods producing industries and the contributions of the different factors.

...of significance in relation to new technology is the fact that Canada...ranks low by international standards in expenditures on research and development

It should be noted first that between 1961 and 1973, the growth of output per worker in these industries varied considerably from a low of 3.5 per cent in Newfoundland to a high of 7.1 per cent in Saskatchewan, with Quebec showing a growth of 4.4 per cent and Ontario a growth of 4.5 per cent, both somewhat below the Canadian average.

One aspect of the technology issue that is of some interest is the question of new technology, and in particular the period of time each region lagged behind the leader in its introduction. The new technologies examined here are computers, shopping centres, roof trusses, special presses for newsprint production, containeriza-

Table 4

Indexes of labour quality in manufacturing, by industry, Canada, 1970

	Men	Women
	(All manufacturing industries = 100)	
Leather	91	93
Wood	92	102
Furniture and fixtures	93	99
Textiles	95	96
Knitting Mills	95	94
Clothing	95	93
Food and beverages	96	100
Rubber	98	99
Non-metallic products	98	103
Metal fabricating	99	103
Primary metals	99	107
Transportation equipment	100	105
Paper and allied products	100	103
Tobacco products	100	98
Machinery, excl. electrical	104	107
Printing and publishing	104	107
Electrical products	107	101
Chemicals	111	106
Petroleum and coal products	114	111

Source: Estimates by the Economic Council of Canada, based on data from Statistics Canada.

Table 5

Educational attainment of wage-earners in the 25-34 age group, Canada, by province, 1970¹

	Education				
	University degree	Post-secondary	High school	Elementary school	Total
			(Per cent)		
Newfoundland	7	26	51	16	100
Prince Edward Island	10	28	46	16	100
Nova Scotia	9	26	48	17	100
New Brunswick	9	25	46	20	100
Quebec	10	27	39	24	100
Ontario	11	25	49	15	100
Manitoba	11	27	48	14	100
Saskatchewan	12	28	47	13	100
Alberta	13	30	47	10	100
British Columbia	12	31	55	2	100
Canada	11	27	46	16	100

¹ In this table, post-secondary education includes some university education. High school education refers to grades 9 to 13; elementary school refers to less than nine years of education. Data cover wage-earners who worked full-time for 40 to 52 weeks in 1970 and reported wage and salary income.

Source: Data from Statistics Canada.

Table 6

Capital stock per worker, Canada, by province, 1973

	Capital stock per worker	
	(\$ current)	(Per cent)
Newfoundland	47,928	124
Prince Edward Island	31,132	80
Nova Scotia	36,240	94
New Brunswick	39,341	102
Quebec	34,589	89
Ontario	34,120	88
Manitoba	42,204	109
Saskatchewan	55,963	144
Alberta	55,022	142
British Columbia	46,180	119
Canada	38,742	100

Source: Estimates by the Economic Council of Canada, based on data from Statistics Canada.

tion of ocean cargo, and steel-making furnaces.

Table 8 indicates the number of years that elapsed between the time each item was introduced (shown as 0 for the province that was the leader) and the time it was introduced in each province. It should be noted that not all technologies were introduced in each region, for example containerized ocean cargo and some types of steel making were not introduced in the prairies.

Taking Quebec as an example, two of the innovations looked at actually originated in that province, namely, roof trusses and containerization of ocean freight.

In a move to improve relations with employees ...some companies are using or working with a number of approaches that come under the general heading of quality of work life

However, considering all the innovations together, there was, on average, a lag of over three years between the time of their initial introduction and their adoption in Quebec. Only in the Atlantic region did the transfer of these technologies proceed more slowly. Three years may not, at first glance, seem like an

excessively long time, but it represents roughly twice the lag found in Ontario where these innovations were adopted with the least delay. Moreover, the difference is significant, in terms of trying to eliminate regional disparities and in particular in catching up with Ontario because new technology is likely to continue to be introduced there at least as promptly in the future as in the past.

Also of significance in relation to new technology is the fact that Canada as a whole ranks low by international standards in expenditures on research and development (R&D). The United States, the United Kingdom, and Germany, for example, all spend 2 per cent or more of their gross national expenditures on R&D; while France, Japan, and Sweden spend about 1.5 per cent. However Canada spends only a little over 1 per cent of which about one-half is spent in Ontario, one-quarter in Quebec and the remainder in the other provinces.

Investment in R&D and the rate at which new technologies are adopted may be related to managerial ability. In particular, tardiness in the introduction of technological change may reflect a lack of relevant knowledge for decision-making, a weakness that

Table 7

Contribution of some key factors to growth in industry output per worker, goods-producing industries¹, Canada and provinces, 1961-73

	Contribution to Growth				Industry Output per Worker
	Labour Quality	Capital Stock		Management, Technology and Other	
		Structures	Machinery		
		(per cent)			
Newfoundland	.2	3.5	-.2	.0	3.5
Prince Edward Island	-.1	3.0	-.1	3.5	6.3
Nova Scotia	.0	2.7	.4	2.2	5.4
New Brunswick	.3	1.5	.4	3.3	5.5
Quebec	.2	1.0	.2	3.0	4.4
Ontario	.3	.9	.3	3.0	4.5
Manitoba	.2	1.9	.2	3.4	5.7
Saskatchewan	.0	3.1	.4	3.6	7.1
Alberta	.3	2.1	.0	2.9	5.3
British Columbia	.4	1.3	.4	3.3	5.3
Canada	.3	1.5	.2	3.0	5.0

¹ Goods-producing industries include agriculture, forestry, fishing, mining, manufacturing, and construction.

Source: Estimates by the Economic Council, based on data from Statistics Canada.

Table 8

Number of years initial adoption date of selected technological innovations lagged behind the leader

	Computers	Shopping Centres	Roof Trusses	Special Newsprint Presses	Containerization	Steel-Making Furnaces		Average Regional Lag ²
						B.O.P. ¹	Electric	
Atlantic	3.5	16	8.2	1.75	2	17	n.a.	8.08
Quebec	.25	4	0	.375	0	n.a.	14	3.10
Ontario	0	1	2	3.5	5	0	0	1.64
Manitoba and Saskatchewan		6						
Prairies	1	3.4	6.83	4.25	n.a.	n.a.	0	3.10
Alberta		0						
British Columbia	2.5	2.3	4	0	2	n.a.	1	2.13

n.a. not applicable.

¹ Basic Oxygen Process.

² The average has been obtained by dividing the sum of the lags by the number of applicable innovations.

Source: F. Martin, "Diffusion of New Technology and Canadian Regional Disparities," Economic Council of Canada (forthcoming).

might be overcome by better education and training in business management. Accordingly Table 9 sets out the educational attainment of five different categories of Canadian management and shows that production managers have only half as many years of education as managers in government, and considerably fewer than for general managers or managers of sales or finance. For the most part, however, differences between the provinces in this area are small.

Returning to the overall issue of productivity, one additional aspect must also be mentioned. Indeed it may, in fact, be the most important of all. It is the need for a better understanding on the part of both labour and management of all aspects of production and productivity, and the mutual benefits to be gained from productivity improvement. In a move to improve relations with employees, and thereby hopefully increase productivity at the same time, some companies are using or working with a number of approaches that come under the general heading of quality of work life and include job enlargement, job enrichment, participative management, industrial democracy and so on. In order to provide employees with motivation and incentive to improve productivity some companies, too, have introduced plans such as a profit sharing and stock ownership that enable the employee to benefit directly from productivity gains that are achieved. However, it is regrettable that most of these initiatives, and particularly those concerned with the quality of work life, have been taken in Europe and the United States, while relatively few have so far been taken in Canada not least because some of the resulting productivity improvements that have been reported are quite remarkable. Work is presently in process at the Economic Council on the Quality

Table 9
Educational attainment in five management categories, Canada, by Province, 1970

	Management category ¹				
	Govern- ment	General	Financial	Sales	Produc- tion
	(Years of education)				
Newfoundland	17	17	14	11	9
Prince Edward Island	17	17	14	9	10
Nova Scotia	18	17	14	12	10
New Brunswick	18	16	14	12	10
Quebec	18	17	14	12	9
Ontario	18	17	15	12	10
Manitoba	18	17	14	11	9
Saskatchewan	17	17	14	12	9
Alberta	18	17	15	12	9
British Columbia	18	17	15	12	10
Canada	18	17	15	12	9

¹ The five categories listed do not comprise all management occupations, and the data pertain to men only.

Source: Data from Statistics Canada.

of Working Life and it is hoped that it will contribute useful information and help to generate additional interest in the subject.

By way of summarizing this review of productivity, and technology, in the Canadian regions, it has been shown that not only does productivity vary considerably from region to region in Canada, but also that these variations have generally been due to differences in output per worker within industries rather than to industry structure. Overall, industry structure accounts for about 20 per cent of the variations, education and capital approximately 50 per cent and technology, management and other factors the remaining 30 per cent.

It is also clear that productivity levels in the Maritimes, Quebec and the Prairies have been lower than the average for Canada, and, moreover, that this situation prevails in most industries. The question arises, then, as to what to do about improving productivity in these provinces.

One area requiring attention is undoubtedly industrial structure. However, as we have seen variations in productivity appear to be due much more to differences in

output per worker in individual industries, and in this connection the upgrading of labour quality, particularly with regard to education among both workers and managers, is of considerable importance. A natural place to start with such a task would be to try to hire new workers with higher levels of education. From the standpoint of improving the entire work force this could be a slow process, however, since new entrants are likely to be a small fraction of the total employee group. Hence, it is likely that real progress will require the upgrading of present employees, whether workers or management. This will involve a study of both present educational qualifications in relation to current jobs as well as of the educational requirements of the new jobs that employees may move into in the future. It will also involve a review of the existing facilities available for upgrading, and finally, making arrangements for employees to acquire additional educational background. It is suggested that through these means a very real contribution could be made to improving productivity and thereby eliminating some of the disparities that presently exist between the Canadian Regions. [9]

Trends in Canada's competitive position

A study released by the Conference Board in Canada concludes that, contrary to popular belief, labour productivity levels have risen more rapidly in Canada than in the United States in recent years. The study also finds that real incomes of Canadians still lag behind those of residents of the U.S. due largely to higher costs of housing and durable goods.

Nevertheless, relative gains in productivity were not sufficient to offset a more rapid rise in Canadian wages in some industries and as a result, "there has been some deterioration in Canada's relative competitive position vis-à-vis the United States."

Entitled *Assessing Trends in Canada's Competitive Position: the Case of Canada and the United States*, and prepared by James G. Frank, a Conference Board research associate, the study was released Nov. 24 by the Compensation Research Centre, a separately funded division of the Board. The Conference Board in Canada is a private, non-profit independent applied research and analysis organization. Its 700 Canadian members include business firms, government departments and agencies, labour unions and industry and trade associations.

The study focussed on two determinants of competitiveness: trends in relative Canadian-U.S. labour costs for 83 selected industries during the 1966-1975

period, and trends in relative labour productivity during the 1967-74 period, producing the most detailed comparative analysis to date of earnings and productivity levels in the two countries.

The study's analysis of earnings differentials is based on data previously published by Statistics Canada in *Employment, Earnings and Hours*, and by the U.S. Bureau of Labour Statistics in *Employment and Earnings*. Frank observes that there has been considerable discussion regarding the comparability of those data. He notes that the Canadian data are collected from firms employing 20 or more workers while the U.S. data are not restricted by firm size, and acknowledges that "if larger firms pay higher wages than smaller firms, the Canadian rate will be biased upward relative to the American rate." He also notes that the earnings measure in both countries includes overtime and regular cost of living allowance payments but not payments in kind, or payments for social security, unemployment insurance or other fringe benefits. He contends, nevertheless, that it is highly unlikely that the relative benefit cost trends in the two countries has been so dissimilar as to invalidate his analysis.

The study finds that the earnings gap between Canadian and U.S. wage earners narrowed steadily from 1966 to 1975 and that by 1975 Canadian wage earners were enjoying higher nominal wages

than their U.S. counterparts in many industries. "This study and the results of other studies show that the narrowing has been observed as steadily occurring over the last 25 years and is therefore not attributable to short-run institutional or economic impacts but rather to significant long-term underlying economic factors," it notes.

On an aggregate basis, it found, the average earnings in the 64 goods-producing industries in Canada were 75 per cent of those in the U.S. in June 1966 and had increased to 102 per cent by June 1975. In the 19 service sector industries studied, average earnings in Canada were 82 per cent of those in the U.S. at the start of the period and 112 per cent at the end.

"While earnings parity has essentially been reached on a cost basis, this is not true of the real purchasing power of earnings of Canadian wage earners," the study adds. "Canadian real incomes have approached those in the U.S. over the period 1966-75 but still lie below those in the U.S. largely due to the higher costs of housing and durable goods."

Personal income tax rates are also higher in Canada, but very little change occurred in the 1961-75 period in relative rates, "indicating that Canadian personal income taxes have not increased more rapidly than those in the U.S. The suggestion that rising relative tax rates have been a determinant of

rising relative wages is not supported by the evidence of this study."

In the 33 industries studied, Canadian labour productivity levels improved more rapidly than in comparable U.S. industries — from approximately 65 per cent of the U.S. level in 1966 to approximately 80 per cent in 1974. In durable-goods industries, Canadian productivity had reached 95 per cent of the U.S. level by 1974 and non-durable-goods industries had reached 70 per cent. This variation, the study warns, "indicates that

caution is warranted in generalizing about the relative labour productivity of Canadian manufacturing since some industries appear to be close to or more productive than their American counterparts while others are less productive or have shown little or no growth in relative productivity since 1967."

However, the study notes, since the capital intensity of Canadian manufacturers increased during the 1967-74 period, "total productivity," as contrasted with "labour productivity" for the 33

industries would be somewhat lower than the 80 per cent labour productivity level.

Labour costs as a proportion of value added (output) declined in both countries over the 1967-74 period in a majority of industries. "The decline was larger in the U.S. than in Canada indicating that American industries had a relatively larger share of value added for reinvestment and return to capital than was the case for Canadian industries in 1974 compared with 1967." [9]

R.L.

The ECC's Fourteenth Annual Review

Into the 1980s: gloomy forecasts from the ECC

The Economic Council of Canada, in its Fourteenth Annual Review, suggests that major structural problems will have to be resolved if Canada is ever to achieve all of its major economic goals simultaneously — a high rate of growth, reasonable price stability, full employment, a viable balance of payments and the equitable regional distribution of a rising national income.

Otherwise, the achievement of one economic goal will likely raise other problems, the Council contends: "There are genuine conflicts of interest among different regions and competing claims to the nation's wealth."

Hence the 96-page review, entitled *Into the 1980s*, includes recommendations for both short-

term stimulation of a lagging economy and a call for improved mechanisms of consultation among governments, producers, consumers and other groups to tackle the country's long-term structural problems.

The Council's predictions for the next five years — barring the introduction of any new "major policy initiatives" — are far from optimistic: After a modest recovery sustained primarily by exports in 1978 and 1979, growth in the real

Major structural problems will have to be solved if Canada is to achieve all of its major economic goals simultaneously

Gross National Product is expected to gradually slow to about 4 per cent in 1982 for an average annual rate of 4.3 per cent over the period. The unemployment rate will probably remain above 8 per cent; inflation will likely remain at about 6 per cent, while the current account of the balance of payments will probably show an annual deficit of about \$6 billion in current dollars.

These predictions are based on four broad assumptions that the council considers reasonable in the light of current policies and developments: more people will enter the labour market, compensating for a slower growth in the labour force, while net immigration will remain at 100,000 persons a year; personal income tax rates will remain unchanged,

It is probably impossible to make a clear-cut judgment on the over-all benefits and costs of the Anti-Inflation Program

and wage and price controls will be gradually phased out; the Bank of Canada will allow the money supply to expand at a rate consistent with the growth in GNP; and finally, the Canadian dollar will continue to float at about \$U.S. 93.

In reviewing the performance of the Canadian economy over the last two years the Review found only one positive note: an easing of the double-digit inflation rates that prevailed in 1974. It observed, however, that Canada's economic recovery has been slower than that of most Western industrial nations, and more sluggish than earlier cyclical upturns in this country.

"A policy of fiscal restraint has held back government spending, which is often a significant catalyst in the resurgence of an economy," the Council observed. "Moreover, a high degree of idle capacity in industry, a large reservoir of unused labour, and some uncertainty about Canada's economic future have all helped to limit business and consumer expenditures. The net effect is a condition of relatively weak aggregate demand, in which only primary exports are finding favourable markets."

As far as the Anti-Inflation Program is concerned, the *Review* says it is probably impossible to make a clear-cut judgment on the overall benefits and costs. However, it suggests that controls have made a "more direct and visible" impact on wage settlements than on prices and profits, though this is not necessarily a criticism

because "annual increases in wage levels and unit labour costs were originally far out of line with productivity gains." The Council also contends that profits have grown moderately not because of the application of Anti-Inflation Board penalties but rather because of "generally sluggish" business conditions and idle capacity, though it notes a few cases where reported excess profits were redistributed to consumers. Moreover, the Council sees little evidence that controls have "distorted the wage structure so that it fails to reflect normal market forces.... Rather, we see the controls as having helped to prevent certain groups that exercise market power — often in the public sector — from successfully pressing exorbitant demands, which burden consumers with either higher prices or taxes."

The Council discusses in some detail five "structural problems" which, it says, must be solved to ensure stable growth and avoid the unacceptable waste "of persistently underutilized labour and capital resources:"

- *International competitiveness.* Canada's share of world exports of manufactured goods continues to decline. Manufacturing unit costs are increasing faster here than in the United States, and the average hourly wage in Canadian manufacturing "is one of the highest in the world." The Council notes that wages and labour costs have risen even more rapidly in some other Western nations, but says this has been accompanied by a depreciation of their currency even greater than Canada's. "Because this unfavourable gap in unit costs has recently narrowed and the value of the Canadian dollar has dropped, much of the trade disadvantage will be offset, at least in the short run," the Council says. "But more fundamental cost reductions and

marketing initiatives are needed if Canadian exporters are to recapture the ground they have lost. At the same time, "Canadians continue to prefer imported manufactured goods and vacations abroad, causing further strain on the balance of payments."

- *Industrial adaptation.* The weak competitiveness of some Canadian industries requires an increasing effort by the federal and provincial governments to work together with industry to achieve, "more balanced and co-ordinated" industrial strategies. "We take this view because the corporate pursuit of profit is not always consistent with the most efficient or equitable use

Canada's share of world exports of manufactured goods continues to decline

of scarce resources," the Council explains. "Metropolitan markets, through their size alone, lure many manufacturing enterprises; jobs are thus created, and urban and suburban populations expand. The social costs that are generated, however, may not be borne by the enterprises — utilities, roads, schools and other services that call for government expenditures and taxes on a scale that might have been avoided had the private investment been made elsewhere and at a different time. Cities, towns and provinces naturally vie with one another for industrial expansion and the employment opportunities that it brings." Industrial adaptation, the Council says, should involve both greater specialization within industries and a gradual shift of resources away from industries with poor long-term prospects. And it holds that this "harmonization" of policies is particularly essential in the areas of investment incentives,

regional development and manpower policies.

Balance of payments and foreign borrowing. "There are now indications that Canada is no longer perceived to be the favourable destination for foreign equity capital it once was," the Council says. There has been a decline in capital inflows from foreign sources and increasingly larger reliance has been placed on borrowing.

The Council believes Canada should encourage foreign investors to put their capital into Canadian enterprises. And it suggests incentive measures for the Canadian tourist industry and for some other export-oriented or import-competing enterprises to help reverse the present "deteriorating" trend in the balance of payments. "Without an extraordinary change... in the patterns of savings and expenditures of Canadians and in this country's international competitiveness," the Council holds, it will be necessary to rely heavily on foreign loans to offset large deficits in the balance of payments.

Unemployment. Even with the job-creating measures announced in October 1977 by the federal government, unemployment will remain high and continue to be "concentrated disproportionately among the young." The Council maintains that jobs must come from the private sector and will have to be linked closely to consumer needs and preferences. This, however, does not alter the fact that the problem is rendered more difficult by "the uneven pace of economic growth."

Energy conservation. "Canadians... have become one of the most wasteful energy-using nations in the world," the Council claims. It

Canadians continue to prefer imported manufactured goods and vacations abroad, causing further strains on the balance of payments

also says that, to promote energy conservation, it is essential to bring Canadian oil and gas prices into parity with world prices.

The Council says an "appropriate" balance of policies is needed, and proposes that governments "should move rather carefully to maintain adequate growth in aggregated demand, while moving more vigorously to encourage needed structural changes through incentives and improved mechanisms for consultation on basic economic issues." To these ends, the report makes four recommendations:

- that the Bank of Canada maintain its present policy of limiting the growth of the money supply and that, as inflation rates fall, the Bank continue to shift the target rate downward;
- that over the next two fiscal years, the federal and provincial governments implement permanent personal income tax cuts that would increase the annual disposable incomes for consumers by a total of \$2 billion in addition to reductions resulting from indexation;
- that the provinces reduce their sales taxes by at least 1 percentage point on taxable consumer goods and services other than gasoline, alcohol and cigarettes;
- that the federal government, together with representative organizations, establish appropriate advisory and consultative

mechanisms (with adequate staff resources) to examine serious long-term structural issues.

Finance Minister Jean Chretien was quick to throw cold water on the proposal for income tax cuts, saying that "to borrow another \$2 billion at this time to attempt to buy our way out of the economic difficulties we are in would not be responsible." And there was even dissent from two members of the Council — Marcel Belanger of the Quebec City accounting firm of Belanger, Dallaire, Gagnon and Associates, and R.M. McIntosh, executive vice-president of the Bank of Nova Scotia. A footnote to the report says the two feel that "in a world economy adjusting to slower growth rates as a result of higher energy costs, further stimulative fiscal policies would be counterproductive because they would not address the problem of bringing the Canadian economy back to a competitive position."

The Council believes that Canada should encourage foreign investors to put their capital into Canadian enterprises

However in a Dec. 5 address to the Vancouver Board of Trade George Post, acting director of the Council, defended the tax-cuts proposal. He said the economic improvement which the Council expects "and would like to augment" in 1978 and 1979 would produce additional tax revenue and reduce unemployment insurance payments and other expenditures directly linked to poor performance. Another factor, he said, is that the Council suggests that a considerable share of the increased borrowing be done by the provinces "since it is at this level of government that recent restraint on expenditures has been

most marked." A third factor is that the current climate of uncertainty has meant that there are "substantial" savings available from individuals, corporations, resource-rich provinces and liquid international capital markets. "All in all, the majority of our Council members felt that we should risk cautious stimulative tax cuts."

Post also elaborated on the proposal for improved consultative mechanisms, saying that whatever ones are set up "their usefulness and credibility will depend on their impact on the policy-making process." Otherwise, he said, consultation will run the risk of becoming "no more than a bureaucratic pastime and its participants will justifiably feel that the whole exercise was merely a diversion."

In addition to the federal proposal for a multipartite national forum, Post said, there might also be smaller multipartite bodies to study specific issues such as energy, commercial policy and regional disparities. "These consultative groups might be established along the lines of royal

The provinces should reduce their sales taxes by at least 1 percentage point

commissions, although membership should be larger and should, in most cases, include government representatives."

Post praised the federal-provincial economic summit conference planned for 1978 as a positive step on the grounds that it is important for the two levels of government to co-ordinate their policies on issues such as industrial structure. "If it is followed by other meetings which include representatives of the private sector, this conference could well signal the start of a new era of co-operation in Canada," he said.

Returning to the issue of tax cuts, in the short term, the Council clearly sees little immediate alternative to conventional fiscal stimulation measures to increase demand and encourage more consumer and business spending, and

it believes that this should be achieved through increased private rather than government activity. However, it is also aware that too vigorous action could worsen the already precarious budgetary position of the federal government and some provincial governments, and could also result in higher inflation and thus delay improvement in the country's international competitiveness.

Even if its recommendations were adopted, the Council says, unemployment would probably not fall far below 7 per cent until after 1980 and inflation would persist roughly in line with the inflation rates of Canada's major trading partners.

The Council's gloomy report concludes by contending that it is possible to move the economy back to a "more desirable growth path" but that this will require "a realistic assessment of the problems... imagination to perceive opportunities... confidence to achieve change... and greater trust and understanding among the different groups in the Canadian economy."

The Council used its CANDIDE econometric model to simulate projections of the economy to 1982 under various policy options and reach its conclusion that, without solving the country's major structural problems it is impossible to achieve all of Canada's major economic goals at the same time. Unfortunately, the Council has no model capable of predicting whether the groups that could not agree on voluntary incomes restraint or a national multipartite consultative forum possess the mutual confidence, trust, and understanding and the capacity for realistic assessment that the Council believes are essential to the resolution of the Canadian economy's structural problems. [9]

R.L.



UPS AND DOWNS OF THE ECONOMY

A critical review of the economy

by Hugh Nangle

"Into the 1980s" is the title of the Economic Council of Canada's fourteenth annual review. It is a thin publication in size and genuine ideas. Perhaps the review's brevity is the main problem, because there are some hints of ideas and other indications that the council does have its finger on a problematic economic pulse and even on some diagnoses for the illness. The problem is that there is almost a total absence of remedies for the ailments that are hinted at. As doctor to the Canadian economy, the Economic Council of Canada has fallen down badly in giving the government any serious recommendations on the possible courses to be taken for putting the economy back on its feet.

No doubt the essential reason for the ECC's failure is one of politics. The boffins in the Council quite obviously believe this isn't the time to be telling the Canadian government some basic home truths on how the economy has been mishandled by successive finance ministers, and — even more importantly — telling them what is needed.

The four recommendations made in the ECC's Fourteenth Annual Review by the Economic Council of Canada contained an elemental problem: they were either superfluous or unacceptable.

Recommendation No. 1, "that the Bank of Canada maintain its present policy of limiting the growth of the money supply and that, as inflation rates fall, the

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Bank continue to shift the target rate downward," was quite superfluous because Gerald Bouey and the Bank of Canada are clearly set on a monetarist policy which the council is not about to alter one iota.

Recommendation No. 2, calling for a further cut in federal and provincial personal income taxes over the next two years, received short shrift from Finance Minister Jean Chretien the very day the council's review was released. Chretien said he would be acting irresponsibly if he implemented the proposal.

Recommendation No. 3, calling on the provinces to reduce their sales taxes by at least 1 percentage point on taxable consumer goods and services other than such items as gasoline, alcohol, and cigarettes, was a non-starter because it's an idea that had fallen on deaf ears before. Ontario has pushed the idea — but with the twist of urging the federal government to make up the loss of revenue to the provinces.

Recommendation No. 4 was also a non-starter even though calling on the federal government, "together

with representative organizations, to establish appropriate advisory and consultative mechanisms (with adequate staff resources) to examine serious long-term structural issues" had a good ring to it — especially the parenthetical reference to adequate staff resources, which when translated into straightforward English means the Economic Council of Canada itself! Surely the council is not so out of touch that it is not aware that the Canadian Labour Congress is not prepared to share power with "representative organizations" other than the federal government and business in a genuine system of tripartite consultation. After all, that was the very reason that the CLC has withdrawn from the Economic Council of Canada irrespective of the colourations which others may choose to use.

The other major shortcomings in the 14th annual review centre more on major omissions: the necessity to spell out in clear, lucid terms the absolute necessity for the federal government to establish sectoral policies, adjustment assistance programs for the major threatened, furniture, clothing, textile, and footwear industries — concentrated mostly in Quebec — and put an end to the ad hoc methods practised in tariff and other non-tariff barriers to protect Canadian employment in these threatened industries.

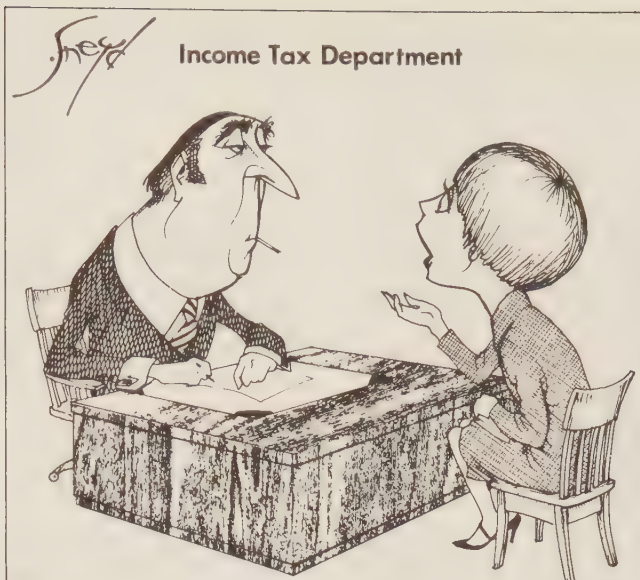
Make no mistake, the economic council refers to the problems, especially in the light of the dangers inherent in a return to

protectionism. The council is correct in detecting a strong whiff of protectionism in the Canadian air. This is especially true in the textile and clothing sectors. The Canadian Textile and Clothing Board turned in a report to then Industry Minister Jean Chretien last June which was laden with the message that protectionism, through tariffs and bilateral agreements, is to be the modus operandi for the foreseeable future. Yet the Economic Council of Canada fails to outline some alternatives which the Canadian government can follow. Meanwhile, the government continues to procrastinate over the issue because it has very serious political ramifications.

It is this tame tabby aspect of the council which is dispiriting. It is particularly disappointing because one finds a non-governmental organization, the North-South Institute based in Ottawa, coming down with the following pointed observation in its first annual review issued in October: "As a first step in imposing consistency between Canada's aid and trade policies, the Government must find alternatives to its current drastic escalation of import restrictions. Otherwise, these controls will increasingly limit the industrialization and employment opportunities of lower-income countries as well as those of the semi-industrialized nations."

"In the short-term, any allocation of market shares should give special recognition to the needs of low-income countries. At the same time, the government should embark on a crash programme to assist workers, communities, and

Toronto Star Syndicate



"Why can't the government just write me off as
a tax loss?"

industries unable to adjust to low-cost import competition, possibly using CIDA (Canadian International Development Agency) funds for this purpose in some cases."
(Author's emphasis)

The North-South Institute will shortly publish a detailed study on the subject of adjustment needs in Canada and policy options... something which the Economic Council of Canada could surely have undertaken considering it hosted a conference on adjustment assistance last summer in Montreal.

It is the passivity of the council that is most irksome. Where a thorough job in the ribs for the

federal government is in order there is either a gentle nudge or even a tickle. Perhaps one should be satisfied with what is achieved by the council to date, but it is disappointing to find that some of the zest and sureness present in earlier annual reviews is missing in the latest effort.

"Into the 1980s" is a dulcet-toned effort, which underlines why it is that the C.D. Howe Institute and the Conference Board in Canada have taken on more prominence in recent years: they have moved into the vacuum that the Economic Council of Canada has created around itself. Hopefully the council will return to more robust form and return to a more relevant role in Canada. We need it. [9]

An economic outlook for 1978

by Frederick Stapenhurst

The Canadian economy is slowly emerging from a long period of slow growth, believed by some economists to have been part of the federal government's strategy for controlling inflation and adjusting for past excesses in income expectations and demands relative to the economy's capacity to produce real output.

The main elements of this strategy have been quite clear. Money supply growth has been monitored to keep within a gradually falling range, and the Bank of Canada has resisted pressures to return to an easy monetary policy in order to speed up the recovery. The Canadian dollar has been allowed to drop in response to market forces and thus has helped to, at least partially restore the international competitiveness of our manufacturing industry. Government expenditures have been kept under a much tighter rein, especially when one considers that unemployment-induced spending has increased rapidly in recent years. And finally, controls have at least helped to check inflation psychology and to ease wage increases, at least to the extent that last year average gains were about in line with the rate of inflation.

The cost of this policy in terms of foregone economic growth, however, has been substantial. In 1977 the Canadian economy grew by only 2 per cent — down from the 4.9 per cent growth recorded in 1976 and less than half the rate originally projected by the federal government and many private forecasters. The reasons for this shortfall were many and varied — the early strength in exports faltered

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early in the year and has only recently shown signs of recovering; consumers became cautious as both inflation and unemployment rose and political uncertainty increased, while business investment remained sluggish, for much the same reasons.

This year should be better, with real Gross Domestic Product (GDP) increasing by about 4.5 per cent in response to a pick-up in exports, stimulated by the decline in the Canadian dollar and the continued strength of the U.S. economy; a strengthening in both consumer spending and business confidence as inflation and unemployment abate and the controls are dismantled; and a small increase in housing expenditure. Growth is expected to continue into 1979 at the 4 to 5 per cent level.

The key economic developments over the past twelve months have been the sharp decline in the Canadian dollar and the announcing of the timetable for dismantling controls. Both factors have had major repercussions through the economy and help set the arena for a period of moderate growth over the next two years.

Controls have at least helped to check inflation psychology and to ease wage increases...

The Canadian dollar declined from more than \$1.03 (U.S.) in the fall of 1976 to below 90 cents (U.S.) last fall. The immediate cause, the election of the Parti Quebecois in Quebec, is only partially responsible, however — the Canadian dollar was clearly overvalued in 1976, since Canada's international competitiveness had been gradually eroded and its balance of payments had deteriorated considerably. Many analysts had expected the Canadian dollar to recover to about 95 cents (U.S.) by the end of 1977, but the decline in the U.S. interest rates and the lingering concern over the sluggish performance of the economy prevented the value going above 92 cents (U.S.). Over the next 6 to 9 months, the Canadian dollar should appreciate to reach about 94 or 95 cents (U.S.) by the middle of this year; for 1978 as a whole, and for most of 1979, an exchange rate of about 92 cents (U.S.) is expected (assuming moderate growth in both the U.S. and Canada.)

The effect of the decline in value of the Canadian dollar on the economy is likely to be mixed. Exports will become more competitive on foreign markets and many Canadians may find it cheaper to "buy Canadian," but the price of imported goods will increase, adding to inflation and, in the long run, pushing up the price of exports. The decline of the dollar may also have a favourable effect on our tourism deficit, which accounts for over a quarter of our total balance of payments deficit, since foreign travel will become more expensive relative to holidays in Canada.

inflation remained above the target rate for the whole of 1977 and will probably remain above the target level for most of this year as well. The consumer price index increased by 8 per cent last year, up from 7.5 per cent in 1976 and well above the targeted 6 per cent.

Continued low increases in the price of food, together with a temporary cessation of energy hikes should keep the rate of inflation in check, even allowing for some escalation in wage rates; the CPI is not likely to increase by more than 7.5 per cent this year and the increase may be held to about 7 per cent next year.

In 1977, the Canadian economy grew by only 2 per cent... growth is expected to continue into 1979 at the 4 to 5 per cent level

Although dismantling of the AIB regulations is due to begin on April 14, the majority of companies and employees will remain under the influence of the AIB guidelines until the end of the year. Nevertheless, the very announcement that controls will end by a certain date has had a favourable effect on both consumer and business confidence and therefore consumer spending and business investment are expected to pick up this year.

As a result of the low level of consumer confidence, consumer spending rose by only 2.7 per cent in real terms during 1977, compared with a 6.1 per cent increase in 1976. In recent years, although gains in real personal disposable income have been high, much of this increase has gone into savings rather than into consumption expenditures, and thus the savings rate has increased from the traditional 5 to 6 per cent last evident in the

early 1970s to over 10 per cent at present. People have preferred to hold their money as a reserve against adverse economic conditions. This year, as the economy revives and inflation and unemployment abate slightly, consumer confidence is expected to rebound and consumer spending is expected to increase by 4 per cent in real terms; next year, the increase may reach 5 per cent, as the real income gains are translated into higher spending.

Business investment expenditures have formed one of the weakest areas of the economy in recent years. In real terms, investment has declined steadily since the end of 1975, although last year did see the beginning of a recovery. Weak profit performance, substantial unused industrial capacity, fears of renewed inflationary pressures and the escalating costs of capital equipment, to say nothing of the political and economic uncertainty surrounding the national unity issue, all contributed to this poor performance. Nevertheless, with relatively stable interest rates and a moderately stimulative fiscal policy, business investment is expected to recover to show a 5 per cent real growth this year (compared with a 2.5 per cent growth last year and a 3.2 per cent decline in 1976). In the longer term, the investment outlook is good, if only because energy-related investment, which now accounts for nearly a quarter of all investment in Canada, should increase rapidly with the coming on stream of the gas pipeline from the North, heavy oil and tar sands plants and other energy projects.

The construction industry suffered a decline last year, with housing starts totalling only 240,000, compared with 273,000 in 1976. Unless government subsidies are renewed and extended, this sector is likely to show only marginal growth this year, since the stock

...the price of imported goods will increase, adding to inflation and, in the long run, pushing up the price of exports

of finished but unsold houses is at an all-time high.

The increasing unemployment rate, particularly for the 18 to 25 age group, has become perhaps the most severe problem facing economic decision-makers today. From an already high rate of 6.9 per cent in 1975 and 7.1 per cent in 1976, the unemployment rate jumped to an estimated 8.1 per cent last year and is expected to reach 8.5 per cent this winter. The principal cause for this seemingly unrelenting increase is simply that the economy has not been expanding fast enough to absorb the rapidly growing labour force (with the major sector of increase being school leavers and university graduates). In the long run, the solution is to improve the capacity of Canadian industry so that it can compete effectively at home and abroad. In the short run, however, there is little more that can be done in addition to the recent \$700 million income tax cut, the additional \$150 million to be spent on direct job creation and the \$100 million employment credit, which were announced in Finance Minister Jean Chretien's speech last October. The federal government's choice of action is limited by the already huge \$8.5 billion deficit for the fiscal year ending March 31, 1978, which virtually precludes any additional stimulative measures. Nevertheless, the policies already announced, together with the anticipated moderate growth in the economy, should bring the rate of unemployment down to about 7.8 per cent this year and perhaps as low as 7.6 per cent in 1979.

It is possible that union militancy

will increase in the latter half of this year as the wage and price controls are phased out and contracts come up for renewal. Moreover, major confrontations between public employees and federal and provincial governments seem unavoidable, if governments continue to adopt a hard line toward labour demands. However, overall wage and salary increases are expected to accelerate marginally, from 8.6 per cent last year to 9.5 per cent this year.

It is possible that union militancy will increase in the latter half of this year as the wage and price controls are phased out and contracts come up for renewal

With the declining value of the Canadian dollar and the resumption of growth in other major industrial nations, Canada's exports picked up sharply last year, while import growth remained modest, reflecting sluggish domestic economic conditions. Consequently, the trade surplus increased from \$1.1 billion in 1976 to \$2.5 billion. Given a Canadian dollar exchange rate of 92 cents (U.S.) and continued economic growth in the United States, the recovery in the trade balance is expected to continue, with the surplus reaching some \$3.5 billion this year. Next year, however, if Canadian economic growth continues, imports will pick up and the surplus will slip back to \$2.5 billion.

Despite this favourable outlook, however, the trade surplus will continue to be overshadowed by the huge (and growing) deficit on services — principally foreign interest and dividends and expenditure abroad by Canadian tourists. This services' deficit has grown from \$4.7 billion in 1975 to \$6

billion in 1976, \$7.5 billion in 1977 and is expected to reach \$8.25 billion this year. (Probably little can be done to change the outflow of tourist dollars, especially as the government has rejected any form of foreign exchange control, although the depreciation of the Canadian dollar may discourage some Canadians from holidaying

...the economy has not been expanding fast enough to absorb the rapidly growing labour force

abroad. With regard to interest and dividends payable abroad, little can be done in the short term, although in the longer term the burden of servicing the foreign debt could be eased by financing it by encouraging foreign investment rather than relying on debt financing — dividends on investment are only payable when



profits are earned, while interest and capital on money borrowed must be paid when due.)

In summary, Canada has, over the past year, set the stage for at least moderate growth of the Canadian economy. The exchange rate has been adjusted to a more realistic level, monetary policy has been eased without allowing a rapid growth in the money supply and interest rates are now realistic relative to the rate of inflation. The government sector, particularly at the provincial level, has taken steps to restrict spending growth and increase public sector productivity, while a more sensible and realistic attitude seems evident in the labour markets. The outlook for the 1980s is good, particularly given the large scale investments likely to take place; moreover, the political outlook should be clearer and a general improvement in international economic conditions is expected. [g]

Workers' self-management in Yugoslavia

— a Canadian study

A Canadian researcher has found the workers' self-management factory in Yugoslavia to be more democratic than the Canadian capitalistic firm. Dr. Alan Whitehorn, a research associate at the Institute of Canadian Studies at Carleton University in Ottawa, says his research also indicates that employees of Yugoslav self-managed factories perceive their conditions as having improved. Another of his findings: Workers who participate actively in self-management indicate lower levels of alienation than workers who do not.

Whitehorn reported these results of his on-going research in Canada and Yugoslavia in a paper to the international conference on participation, workers' control and self-management, in Paris, France, September 7 to 10. His work has involved searches of the academic literature, research questionnaires and interviews in both countries. He is one of only a very few non-Yugoslavs ever allowed to administer survey questionnaires in that country, particularly on such politically sensitive topics as worker self-management, participation and alienation.

He found the evidence "mixed but leaning in the direction of confirmation" of two other "socialist hypotheses": that the worker-managed factory is associated with lower alienation levels, and that alienation in the factory is associated with alienation in society.

But one socialist hypothesis was "disconfirmed" by his research.

Although Yugoslav workers were in total less alienated than their Canadian counterparts, different strata or classes within Yugoslavia exhibited different levels of alienation: "Blue-collar workers, as in capitalist societies, still have a higher level of alienation than white-collar or professional employees," he reported. "This finding is in general a negative one for theorists of self-management."

In discussing the pluralism of the Yugoslav factories, Whitehorn says the "socialist assertion" is quite clear that the factory "must be more democratic" and thus will follow enlightened conditions and policies. "There can be little doubt," he writes, "that present nationalized factories in both the Soviet Union and Great Britain are not marked by highly participatory and pluralistic intra-factory social relations." The question posed regarding Yugoslavia is, therefore: "Does a more radical socialist proposal, that of the establishment of a functioning factory workers' council, increase the diffusion of power?"

As an indicator of factory democracy, Whitehorn compared the factory personnel's perceptions of "power holders." His analysis suggests that the Yugoslav system seems to be pluralistic "particularly when one compares structures traditionally associated with 'labour' (e.g., workers, council, union, skilled and unskilled workers), with those associated with 'management' (e.g., director, management board, supervisors and technical staff). Thus, respondents' perceptions of group

influence suggest that the system is polyarchic...One notes that only the director is perceived as being more influential than the workers' council." Thus measured, the ratio of managerial bodies' influence to labour's was 1,278/1,000, compared with a 1,345/1,000 in Whitehorn's Canadian sample. "Thus power equalization is perceived as being more developed in Yugoslavia than in Canada," he reported.

"In both systems, however, respondents indicated a wish for a more widespread diffusion of power," he added. "Yugoslav democratic aspirations, despite a considerably shorter history of democratic experience, were nevertheless stronger than Canadian. Thus perceptions of both actual and desired influence levels are more democratic in Yugoslavia than in Canada."

When Yugoslav workers were asked whether they felt their condition had improved under self-management, 8 per cent responded "very much improved" and 44.9 per cent "improved." But 44.9 per cent were uncertain and 2.2 per cent responded either "not improved" or "not at all" improved. This may imply that "changes have not occurred swiftly enough for a sizeable enough number of persons." The finding also suggests "that Yugoslavia does not yet have a fully participative self-management system," in other words a system where workers are fully involved in the management of their factory.

Whitehorn also reported that job satisfaction for all strata of

employees was found to be considerably higher in the Yugoslav system than in Canada. But he noted there are limitations in the data "given the pioneering nature of the research": the sample is fairly small; it is limited to one industry and utilizes ordinal data much of the time.

Whitehorn also analyzed the social concerns of the self-managed factory and its contacts with the local community, and found "widespread social responsibility and integration." For example, one of the most contentious issues of capitalism — widespread layoffs — is not a paramount problem: "Workers, not surprisingly have shown substantial reluctance to dismiss redundant workers."

"In three of the factories studied, some apartment buildings were built and owned by the enterprise for the use of employees," he observed. "In an age of spiraling housing costs, such benefits seem significant indeed. In addition, in each of the enterprises, low-cost loans were available to the employees for the purpose of private home construction... another common feature to all enterprises was the universal presence of enterprise subsidization of work commuting expenses, holiday expenses and lunch costs."

As to the question whether self-management is associated with lower alienation levels, Whitehorn reported: "Unlike a previous Yugoslav study, this study found that participants in worker self-management were not found to have greater alienation levels."

High suicide, illness, alcoholism and accident rates, however, "raise some doubts as to the likelihood of workers' self-management alone reducing alienation levels completely."

Whitehorn says his general

findings suggest that the central assumptions of self-management seem to be sound and that increased factory pluralism and worker participation in management can reduce alienation levels, particularly at the factory level.

"In any case, so few studies have been completed on the subject of alienation in the self-managed factory that it would be rash to offer any final statements." Nevertheless, it seems likely "that anyone who poses the doom of self-management is at the very least premature in his pronouncements."

He said it is evident from a number of studies of the operation of workers' self-management in Yugoslavia "that there is a considerable divergence between the rhetoric of a mass, egalitarian and participatory social system and the actual system in operation." What one can posit is that Yugoslavia at present has a "representative" self-management system in that a form of representative democracy at the workplace has prevailed: "The political leadership has sought at various times to transform it into a more mass participatory democracy. It seems, however, less likely to be achieved by fiat than by a slow yet

constant development of leadership and participation skills among the workers. Perhaps a representative system might be a more achievable first step and therefore more likely to produce a successful and lasting participatory self-management system." Or, as Dr. Whitehorn quotes a Yugoslav scholar, Rudj Supek: "The 'truth' about Yugoslav workers' self-management cannot shatter the belief in workers' self-management, but can only raise questions about the modes of its realization."

Whitehorn says Canada has much to learn from the Yugoslav experience. He notes the recent proliferation of academic panels and papers on the subject of industrial democracy, the Canada Department of Labour's interest, and the favourable responses to public opinion poll questions on worker representation and more open access for employees to corporate financial data, and he observes:

"It is clear that...workers' self-management, while still an unfulfilled and at times unclear and utopian vision, is increasingly the direction suggested as a possible means to democratize our corporations and thus our social system."



"I said it's an honour to welcome you as the first woman on the board."

Books

The Retirement Threat

by **Tony Lamb and Dave**

Duffy, J.P. Tarcher, Inc.,
Los Angeles, 1977. 177pp.

The Retirement Threat, in spite of its title, is an optimistic sort of book. Author Tony Lamb is a self-styled senior activist whose main aim is to show readers how they can plan for a more comfortable, happy retirement by avoiding the pitfalls that threaten and victimize many of the retired today.

In a factual, non-sentimental way, Lamb describes the poverty and other misfortunes that befall more seniors than most of us realize. These are largely the result of what he calls the "Great Retirement Lie" — the romanticized picture painted by popular books and magazines, which suggest "...that retirement is something you don't have to worry about until you are in your sixties, and then your pension or Uncle Sam will take care of you."

Lamb sets the record straight by telling us some of the sobering facts about retirement: retired persons are the fastest-growing poverty group in the United States and one out of six lives in poverty; most retired widows live in, or close to, poverty; middle and upper-middle class people often suffer the greatest shock when their standard of living drops dramatically in retirement.

We can reverse these trends, says Lamb, if we each plan carefully for our own retirement, and if we become more aware of seniors' needs, regardless of our own age. If you, the non-retired, passively

accept the climate in which today's retired must struggle for survival, then you, the future retired, will deserve that inheritance. In twenty years or less you, too, may find yourself poor and powerless," (p. 114).

The chapters that follow are brief and informative "how to" articles on everything from budgeting and getting the most out of social security, pension, and so on, to health and nutrition, employment opportunities for the retired and fighting for seniors' rights.

Lamb gives easy-to-follow, action-oriented advice based on his own extensive experience as a senior citizen organizer in California's

Ventura County. He describes the many benefits he was able to achieve for fellow retirees by following his own "organize, plan and persevere" formula.

Although *The Retirement Threat* occasionally has a Dale Carnegie-esque air about it, as the author prescribes his remedy for successful seniorhood, it nonetheless makes worthwhile reading. For most of us the book is likely to be a revelation. It will certainly make you think twice about your own future, and hopefully it will also get you thinking about the forgotten, grey-haired minority in our society.

— M.C. O'Rourke

The Education of Everett Richardson:

***The Nova Scotia Fishermen's
strike in 1970-71.***

by **Silver Donald Cameron**,
McClelland and Stewart, Toronto,
1977. 239pp. \$4.95 paper.

The significance of strikes cannot be measured by the number of people involved, the dollar value of lost production or the extent of violence on the picket line. The number of strikers may be small, the impact on the national economy slight and physical clashes minor; yet the importance of the event may be considerable. The Nova Scotia fishermen's strike in 1970-71 was one of these. It rocked the province and aroused sympathetic repercussions across the country.

Fewer than 300 men were involved.

They fished mainly from the little port of Canso, 50 miles off the main highway. They were on strike for seven long and hungry weeks. The issues were multiple, ranging from the availability of first aid kits to money. But, as Cameron says, "the strike was about respect." At the nub was the fundamental claim to the right of having their own union and bargaining collectively. The fishermen were caught in a legal tangle surrounding arguments as to whether they were "employees" in the ordinary sense, or "co-adventurers," dependent on a share of the catch.

It was a bitter strike, family members turned against each other; church authorities became involved and argued among themselves; communities were divided; politicians added fuel to the controversy. And, in the final stage there was an inter-union battle.

Some may fault Cameron for a prejudiced report. He is frank in stating where his sympathies lie. He became so enamoured of the fishermen and their surroundings that he now makes his home with them. But in the book he goes out of his way to attempt to explain the employers' position, much as he may disagree with it.

Through the book runs the personal story of Everett Richardson, one of the strikers. Richardson was by no means a colourful union leader. He was simply a fisherman, and he was ready to go to jail, and did, to maintain his right to picket. Richardson's story, told largely in his own words, and the effect of the strike on his family, lend authenticity to the account. This is the human side of the strike; one often lost sight of in a maze of

arguments about issues and cold statistics.

Whether or not one agrees with all Cameron's personal interpretations, *The Education of Everett Richardson* is worth reading and has a place in the chronicle of the struggles of Canadian workers.

— Jack Williams

Grievance Arbitration: A Review of Current Problems

edited by M.A. Hickling, Vancouver
the Institute of Industrial
Relations, University of British
Columbia, 1977

This 191-page paperback is a collection of papers delivered at seminars held at the University of

British Columbia Nov. 26-27, 1976, and Feb. 11-12, 1977, under the joint sponsorship of the University's Institute of Industrial Relations and the Arbitration Services of the B.C. Ministry of Labour. The speakers were lawyers engaged in arbitration in the province, and the topics include seniority, discharge, the admission and use of extrinsic evidence in labour arbitrations, and probationary employees. Paul C. Weiler, chairman of the provincial labour board, delivered the keynote address: "The Code, the Collective Agreement, and the Arbitration Process: as Seen from the Labour Board." The papers fulfil the foreword's promise of representing analyses of "the more difficult issues facing arbitrators and advocates in Western Canada."

— R.L.

Research Notes

Absenteeism

A Survey of Absence Rates in Australia. Department of Productivity, 1977.

A survey of 1,184 establishments in manufacturing and non-manufacturing industry, conducted in October 1976, found an overall absence rate of 4.0 per cent in Australian industry. Among the findings:

- Manufacturing industry had higher rates of absence than non-manufacturing, the highest rate being found in the 'Vehicles and Ships' group.
- In both manufacturing and non-manufacturing industry, larger establishments had higher levels

of absence than smaller establishments.

- Absence was higher among manual workers than non-manual workers.
- Manual workers employed in manufacturing industry had higher absence than those in non-manufacturing.

Dispute Settlement

An Examination of Fact Finding, 1976/1977. Ontario Education Relations Commission, 1977.

Fact finding is a significant aspect of the Ontario School Boards and Teachers Collective Negotiations Act. The appointment of a third-

party neutral to investigate and report on negotiations affords an opportunity for the parties to clarify and resolve whatever differences exist. It is a necessary procedure to complete before a strike or lockout can take place.

An analysis of experience during the first two years of the Act's operation, based on questionnaires to fact finders and to the parties, and on a content analysis of fact finders' reports, demonstrates the potential of this process for resolving issues in teacher-school board bargaining. The degree of success achieved in individual cases, however, depends on the skills of the fact finders, the number of kind of issues in dispute, and the willingness of the parties to resolve them.

Med-Arb and Vancouver Police Negotiations, 1970-1976," by E.G. Fisher and Henry Starek. *The Canadian Personnel and Industrial Relations Journal*, September 1977.

Since 1971, Vancouver's Police Union and the City of Vancouver have used a med-arb system of dispute settlement in collective bargaining negotiations. Under this system, the mediator-arbitrator can declare, at his discretion, that an impasse has been reached during mediation. Then he arbitrates the issues that were not resolved during the mediation phase.

Experience with this technique shows that it can be a flexible tool, promoting contracts that are largely negotiated, tailored for the parties to the agreements, and capable of instilling industrial peace. The authors conclude, however, that it is neither above reproach nor universally applicable.

L'injonction en temps de grève," by Fernand Morin. *Relations Industrielles*, Vol 32, No. 3, 1977.

This article examines the usage of injunctions during work stoppages in Quebec, including the questions of when and how they are obtained and who obtains them. The results are compared with previous research by Carrothers and Palmer on injunctions in Ontario and British Columbia.

From an analysis of 204 requests for injunctions in 1974 and 1975, the author examines 82 questions under three major headings: (1) the process of obtaining injunctions (who, when, and how); (2) the nature of the judicial order and its consequences; and (3) the context and implications of this intervention. He concludes that there are many similarities between the findings of this study and those of the earlier studies on Ontario and British Columbia: the injunction

serves the same purposes, the methods used to obtain them are similar, and the nature of the intervention is the same.

Trade Unions

"The Union Convention: An Examination of Limitations on Democratic Decision-Making," by John C. Anderson. *Relations Industrielles*, Vol. 32, No. 3, 1977.

Industrial relations theory and research have stressed the vital role played by the convention in the government of trade unions. This article examines a series of factors which may limit the existence of democratic decision-making within the union convention, based on research conducted at the thirty-first biennial convention of the B.C. Government Employees Union in June 1975.

One factor that may detract from democratic decision-making is the possibility that delegates may not be truly representative of their constituent bodies. Another is restrictions on when and where resolutions may be submitted and who may submit them, as well as the role of the union executive in screening and compiling the resolutions. Within the convention itself, several influences may limit the amount of debate, making the convention less important in policy making in the eyes of both the membership and the delegates. Not having enough information on the resolutions, receiving prior instructions on how to vote, feeling pressure from various sectors, and not feeling free to vote independently on resolutions were all found to be important deterrents to democratic decision making within the convention. Union staff were also seen to have a strong impact on how resolutions were decided.

"Union Effects on Hospital Administration: Preliminary Results from a Three-State Study," by Richard U. Miller, Brian B. Becker, and Edward B. Krinsky. *Proceedings of the 1977 Annual Spring Meeting*, Industrial Relations Research Association.

As part of a larger study on the incidence, growth, and effects of hospital unionism in the United States, the authors analyzed the impact of unions on wages and other costs in the hospital industry.

Preliminary results indicate that, on average, unions raised relative occupational wages approximately 5 per cent. The union effect on fringe benefits averaged 8.4 per cent. In addition, hospital costs were raised as a result of other costs associated with collective bargaining, e.g., the cost of establishing grievance and dispute settlement procedures. Part of this was offset, however, by the fact that unionized hospital occupations experienced up to 50 per cent lower turnover than their non-union counterparts. The net result was a union impact on average costs per patient-day in the order of 2 to 4 per cent.

Wages

"A Study of Construction Pay Scales: Canada and the United States," by Lorne Collingwood. *Labour Research Bulletin*, September 1977.

This report compares hourly union rates in the British Columbia construction industry with union construction rates in other regions of North America. It was conducted with the specific intention of comparing building trade wage hierarchies — 'pecking orders' as they have come to be known — and with a view to providing some

basis for common understanding with regard to the B.C. pecking order.

The analysis reveals that, while considerable hierarchical variation is apparent in North America, it is a variation on a common theme. A mechanical trade virtually always frequents the top of the hierarchy while other trades are usually found at the lower and middle

levels. A composite wage hierarchy for North America shows that the plumber is the top-paid trade, followed by the electrician, the boilermaker, the iron-worker and the sheet metal worker. At the bottom of the scale, the labourer receives 72.6 per cent of the plumber rate. British Columbia possessed a hierarchy which closely resembled the North American average.

In his conclusions, the author discusses alternatives to collectively bargained hierarchies, including common-front bargaining, which would require the craft unions to agree on a formula to determine the wage hierarchy.

The foregoing was prepared by Laurence A. Kelly, an independent industrial relations writer and researcher in Kingston, Ontario.

Additions to the Library

The publications listed below are recent acquisitions. They may be borrowed through a local library (business, university, public, etc.) or directly — if there is no local library — by writing to The Chief Librarian, Labour Canada, Ottawa, Ontario K1A 0J2, indicating the author, title and publisher.

Arbitration, Industrial

Hickling, M.A., ed. *Grievance arbitration: a review of current issues.* Vancouver, Institute of Industrial Relations, University of British Columbia, 1977. 191p.

International Labour Office. *Grievance arbitration; a practical guide.* Geneva, 1977. 71p.

Collective Bargaining

Morse, Bruce. *How to negotiate the labor agreement; an outline summary of tested bargaining practice expanded from earlier editions.* 7th ed. Southfield, Mich., Trends Publishing, 1977. 83p.

Economic Policy

Higgins, Benjamin Howard. *Dare we decontrol?* Ottawa, Department of Economics, University of Ottawa, 1977. 28p. (Ottawa, University. Department of Economics. Research paper no. 7713)

Income

Henderson, D.W. *The distribution and evolution of Canadian family incomes, 1965-1973,* by D.W. Henderson and J.C.R. Rowley. Ottawa, Economic Council of Canada, 1977. 171p. (Economic Council of Canada. Discussion paper no. 91)

Henry, Jacques. *L'appartenance ethnique et la répartition des revenus du travail à Montréal de 1961 à 1971.* Ottawa, Département de science économique, Université d'Ottawa, 1977. 39p. (Ottawa, University. Department of Economics. Research paper no. 7712)

Industrial Democracy

Newton, Keith. *The theory and practice of industrial democracy: a Canadian perspective.* Ottawa, Economic Council of Canada, 1977. 81p. (Economic Council of Canada. Discussion paper no. 94)

Industrial Disputes

Malles, Paul. *Canadian industrial conflict in international perspective.* Ottawa, Informetrica Limited, 1977. 1v.

Industrial Relations — Seamen

Rubenowitz, Sigvard. *The shipping industry in Sweden,* by Sigvard Rubenowitz and Alf Gleerup. Geneva, International Institute for Labour Studies, 1977. 28p. (International Institute for Labour Studies. Research series no. 25)

Labour Laws and Legislation

American Bar Association.

Committee on International Labor Law. *The labor relations law of Canada.* Editor in chief, Richard Martin Lyon; associate editors, Mortimer Riemer and Edwin R. Temple. Washington, Bureau of International Affairs, 1977. 241p.

Night Labour

Carpentier, James. *Night work; its effects on the health and welfare of the workers,* J. Carpentier and P. Cazamian. Geneva, International Labour Office, 1977. 82p.

Plant Closing

Guertin, Jean-Aimé. *Analyse coûts-bénéfices de fermetures d'entreprises,* par Jean-Aimé Guertin, Jean-François Guilloteau et Paul-Martel Roy. Québec, Direction générale de la recherche, Travail Québec, 1977. 164p.

Retirement

Conference Board. *Retirement: reward or rejection?* by J. Roger O'Meara. New York, 1977. 69p.

Technological Change

Work and technology. Edited by Marie R. Haug and Jacques Dofny. London, Sage Publications, 1977. 258p.

Women — Employment

Barry, Francine. *Le travail de la femme au Québec; l'évolution de 1940 à 1970.* Montréal, Presses de l'Université du Québec, 1977. 80p.

Chafe, William Henry. *Women and equality; changing patterns in American culture.* New York, Oxford University Press, 1977. 207p.

The working sexes: symposium papers on the effects of sex on women at work. Patricia Marchak, editor. Vancouver, Institute of Industrial Relations, University of British Columbia, 1977. 194p.

Women in Labour Unions

Women in the labour movement; the British experience, edited by Lucy Middleton, Foreword by Rt. Hon. James Callaghan. London, Croom Helm, 1977. 221p.

Work Satisfaction

Centre des dirigeants d'entreprise. *Le malaise des cadres: une réévaluation.* Québec, Direction générale de la recherche, Ministère du travail et de la main-d'oeuvre, 1977. 90p.

Spencer, Charles. *Blue collar; an internal examination of the workplace.* Chicago, Lakeside Charter Books, 1977. 242p.

Back issues of *The Labour Gazette*

A recent inventory shows that we have on hand — free for the asking — a limited number of copies of the following issues of *The Labour Gazette*:

1976: January, March, April, May, June, July, September, October, November, December.

1977: January, July, August, September, October, November.

Anyone wishing to receive any of the above may obtain them by writing to: Editor, *The Labour Gazette*, Canada Department of Labour, Ottawa K1A 0J2.

STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basis of reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 10 or more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the union directly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included.

TIME PERSPECTIVE ON WORK STOPPAGES, SEPTEMBER 1977

Period	Number beginning during month	Work stoppages in existence during month or year			Per cent of estimated working time
		Number	Workers involved	Duration in man-days	
Year					
1973	677	724	348,470	5,776,080	0.30
1974	1,173	1,218	580,912	9,221,890	0.46
1975	1,103	1,171	506,443	10,908,810	0.53
1976	921	1,039	1,570,940	11,609,890	0.55
1976					
September	59	185	136,482	1,943,860	1.08
October	78	181	927,888	2,035,720	1.14
November	52	138	54,886	498,700	0.26
December	37	110	45,090	249,020	0.13
1977*					
January	47	113	29,132	227,670	0.13
February	45	111	19,272	193,140	0.12
March	69	133	23,441	226,220	0.12
April	76	160	39,133	353,400	0.21
May	60	154	32,857	359,740	0.20
June	59	162	31,675	326,520	0.17
July	51	169	40,805	466,650	0.26
August	68	175	36,984	404,490	0.20
September	65	186	32,328	311,680	0.17
January-September 1977*		606	2,869,520	2,869,520	0.18
January-September 1976		872	8,826,650	8,826,650	0.53

* Preliminary

WORK STOPPAGES BY INDUSTRY, SEPTEMBER 1977 (Preliminary)

Industry	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Sept.)
		Number	Workers involved	Duration in man-days	
Agriculture	0	0	0	0	0
Forestry	0	3	345	7,100	63,090
Fishing	0	0	0	0	20,800
Mines	3	6	1,433	9,760	102,250
Manufacturing	26	83	18,150	194,950	1,523,760
Construction	5	10	5,110	16,100	417,070
Transp. & Utilities	11	25	3,047	20,490	160,840
Trade	7	21	1,506	26,240	128,310
Finance	2	3	268	3,230	10,670
Service	5	19	1,042	14,460	305,540
Public Admin.	6	16	1,427	19,350	137,190
Various industries	0	0	0	0	0
TOTAL	65	186	32,328	311,680	2,869,520

WORK STOPPAGES BY JURISDICTION, SEPTEMBER 1977 (Preliminary)

Jurisdiction	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Sept.)
		Number	Workers involved	Duration in man-days	
Nfld.	7	7	897	7,610	126,890
P.E.I.	0	0	0	0	0
N.S.	0	5	209	3,500	19,500
N.B.	1	2	529	10,510	30,940
Québec	21	81	7,578	124,080	1,281,990
Ontario	17	52	15,966	120,260	990,580
Manitoba	1	1	230	4,830	25,370
Saskatchewan	4	9	760	2,390	29,610
Alberta	2	6	1,129	8,540	64,850
B.C.	10	14	3,647	19,720	122,380
Yukon & N.W.T.	0	0	0	0	0
Total, provinces	63	177	30,945	301,440	2,692,110
Federal Public Service(1)	1	1	250	130	12,800
Federal Industries(2)	1	8	1,133	10,110	164,610
Federal total	2	9	1,383	10,240	177,410
TOTAL	65	186	32,328	311,680	2,869,520

(1) Covered under the Public Service Staff Relations Act.

(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in the dispute.